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# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

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Paris, Friday, May 15, 1998

No. 35,831

TODAY:  
LEISURE

## Rioting, Looting and Arson Engulf Jakarta

### 15,000 Soldiers on Guard but Not Intervening

By Mark Landler  
New York Times Service

JAKARTA — Indonesia's capital descended into chaos Thursday as rioting and looting broke out in virtually every quarter of the city. Bands of people swept up and down Jakarta's main streets, setting fire to cars, shattering windows in office buildings and burning and pillaging stores.

By nightfall, tanks and armored personnel carriers rolled through the center of the city, while 15,000 soldiers took up positions at the Presidential Palace and elsewhere in the city. Fires continued to burn throughout Jakarta, with plumes of smoke rising over the skyline for miles in every direction.

President Suharto was due back here Friday morning, having cut short a visit to Egypt. But after a day of rage, in which student protests against Mr. Suharto mutated into a mass uprising, it was not clear that Asia's longest-serving leader could retain his grip on power much longer.

"Everyone is scratching their heads about what will happen next," said a

Western diplomat here Thursday night. "Suharto is coming back to a very badly damaged government and a very badly damaged country."

In an ominous sign for the president, Indonesian Army troops sent to trouble spots in the city were greeted with wild applause by the rioters, and the soldiers smiled and raised their fists in return. Army troops generally did not intervene to prevent the looting. Rioters and soldiers mingled easily with each other, and late in the day, teenagers were hitchhiking on troop transports.

Indonesia's military commanders are still presumed to be loyal to Mr. Suharto. But political analysts note that

Indonesia has a people's army, which could play a decisive role in tipping the scales against the Suharto government if it chooses to throw its support behind an anti-government movement that mushroomed after the police killed six students at a demonstration here Tuesday.

The chief of Indonesia's armed forces, General Wiranto, said in a news conference Thursday afternoon that order had been restored to the city center. Surprising both diplomats and local analysts, he did not impose a curfew. An Associated Press report said as many as 20 persons were missing or killed in the riots so far.

It is hard to exaggerate the orgy of destruction and lawlessness that seized Jakarta this day. Gangs of looters tore up streets signs and lampposts, torched cars, smashed shop windows and emptied supermarkets. They sowed a path of destruction that extended from the central business district to an ethnic Chinese enclave in North Jakarta to the airport highway west of town.

Banks, schools, and businesses



Looted goods and crates burning Thursday in central Jakarta as largely unchecked rioting swept the capital.

### Evacuation Effort Begins in Jakarta

Some countries have begun evacuating their citizens from Indonesia and have issued warnings against traveling there. • Hundreds of ethnic Chinese flee Jakarta. • U.S. calls off military visit to Indonesia. Page 6.

See INDONESIA, Page 6

## For Suharto, It's When, Not Whether, He Leaves

By Keith B. Richburg  
Washington Post Service

JAKARTA — Only two months ago, President Suharto's grip on power in Indonesia seemed secure.

He was unanimously re-elected to a seventh five-year term by an assembly he largely handpicked. Although the country's economy was a shambles, his support from the military remained unwavering. And his growing number of vocal critics could offer no viable alternative to his rule.

But with a single dramatic incident that can be seen as a turning point, that perception has been shattered by the sound of automatic-weapons fire crackling from a pedestrian footbridge and by the desperate cries of relatives and friends waiting over the bodies of young slain students.

That flash of violence Tuesday outside one of Jakarta's elite universities — a sharp escalation after three months of student-led protests and the first such incident of bloodshed in the capital — has reshaped the political calculus and forced a rethinking of some assumptions.

Perhaps most important for many, it has brought into question the legitimacy of Mr. Suharto's rule. Asia's longest-serving leader, a man once credited with steering his country through three decades of relative stability and economic growth, is increasingly seen by his people as another in a long line of aging autocrats — the Philippines' Ferdinand Marcos, Zaire's Mobutu Sese Seko — whose troops must shoot unarmed citizens to keep him installed in the presidential palace.

Journalists, academics, opposition politicians and diplomats who monitor events here no longer say it is a question of whether Mr. Suharto will leave office; now they say it is a question of when, and how. Before, they talked of Mr. Suharto's remaining in power for years. Now they talk in terms of months.

"I think the threshold of tolerance has been broken," said Laksamana Sukardi, a business consultant and economic adviser to the opposition leader Megawati Sukarnoputri. "Suharto before had some legitimacy, because of the economic performance before. But now, it's no more."

"The final curtain will drop soon," he added. "I can't see any way he can survive the economic turbulence, and now it is compounded by this political turbulence and demands that he step down. There's no point of return any more."

The change in sentiment can be seen simply in the new openness in discussing Mr. Suharto's departure from the scene — a topic that not too long ago would have been considered an insult

See SUHARTO, Page 6

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.300
Armenia	12.50 FF	Morocco	16.00
Australia	1.800 CFA	Qatar	10.00 CFA
Cameroon	5.50	Reunion	12.50 FF
Egypt	10.00 FF	Saudi Arabia	10.00 CFA
France	1.100 CFA	Senegal	225 Plus
Gabon	2.800 CFA	Tunisia	1.250 Din
Italy	1.250 JD	U.A.E.	10.00 Dn
Ivory Coast	700 Fils	U.S. Mil. (Eur.)	1.20
Jordan			
Kuwait			

## Fighting Rages Anew in West Bank and Gaza

### Israeli Troops Fire on Palestinians, Killing 9

By Serge Schmemmann  
New York Times Service



A wounded Palestinian being evacuated after he was shot on Thursday by Israeli troops when demonstrators tried to storm an army position at the Erez checkpoint in Gaza.

RAMALLAH, West Bank — Palestinians on Thursday marked the 50th anniversary of the creation of Israel, an event they call the "catastrophe," with two minutes of silence. There followed several hours of violence and death.

In the Gaza Strip, Israeli forces opened fire with live ammunition on Palestinians marching toward Jewish settlements. Nine Palestinians were killed, including two 8-year-old boys, and scores were wounded in the worst toll since the Western Wall tunnel riots of September 1996.

Duels between rock-throwing Palestinian youths and Israeli forces firing rubber-coated bullets and tear gas of Israeli forces broke out in every major Palestinian town, and even in East Jerusalem, a city usually spared such street violence.

In Ramallah, Bethlehem and Hebron, the Israeli forces seemed to exercise greater restraint than usual, and there was evidence of coordination with Palestinian policemen to let Palestinian passions play out without inflaming them further. In Jerusalem, however, the action was hotter as the police attacked rock-throwing youths with salvos of rubber bullets, charges with riot sticks and mounted policemen.

From Jenin in the north of the West Bank to

Rafah at the southern end of Gaza, the marches, protests and violence testified that living memory of their dispossession 50 years ago was now fused with the anger and frustration over the failure of the peace. For every poster and slogan commemorating a village or a home lost in "al nakba," "the catastrophe," there was another denouncing Prime Minister Benjamin Netanyahu.

The mournful Palestinian commemoration came two weeks after Israel marked the same

A town amid the 'percentage wars.' Page 9.

anniversary, though on the Jewish lunar calendar, with festive cookouts, military displays and fireworks.

At the central scheduled event of the day, a rally by tens of thousands in the Manara Square of Ramallah, sirens sounded at noon to proclaim two minutes of silence in commemoration of the nakba, evidently patterned on the Israeli siren, which annually call for a minute of silence for the Holocaust.

Then the prerecorded voice of Yasser Arafat, the chairman of the Palestinian Authority, sounded over loudspeakers. "A half-century of wounds

See ISRAEL, Page 9

## India's Tests Shake Up Asian Politics

### World Pressures Pakistan To Resist Replying in Kind

By Stephen Kinzer  
New York Times Service

ISLAMABAD — Pakistan came under increasing pressure from foreign governments Thursday to refrain from answering India's recent nuclear tests with tests of its own. Many Pakistanis continued to insist, however, that joining India in the nuclear club was vital to their country's security.

The U.S. Embassy in Islamabad said that Assistant Secretary of State Strobe Talbott and the commander of the U.S.

Weekend test by Pakistan is possible, U.S. says. Page 4.

Central Command, General Anthony Zinni, would arrive here Friday morning for talks with Pakistani leaders. They are expected to bring assurances that Western powers will severely punish India for its tests and will reward Pakistan if it does not test.

During his visit to Berlin on Thursday, President Bill Clinton urged Pakistan to "resist the temptation" to begin nuclear testing. And at the United Nations, the Security

See PAKISTAN, Page 4

### Another Chance for China To Gain Global Prestige

By John Pomfret  
Washington Post Service

BEIJING — The explosion of five nuclear devices by India has presented China for the second time in less than a year with a powerful opportunity to improve its international influence and reputation, Chinese and Western analysts say.

Of all the world's powers, China — India's huge northern neighbor, which officials in New Delhi identified last week as the country's main threat — might be poised to benefit most from India's decision to barge into the world's club of nuclear powers, these analysts say.

"China comes out a winner in this no matter what," said Bates Gill, a China security specialist at the Monterey Institute of International Affairs in the United States. "But it could become an even greater winner if it is prepared to step up to the plate and accept some of the responsibilities of a great power."

The challenge for China is that it has to resolve the paradox between its 50-year position that no country should interfere in the internal affairs of another and its 2-year-old stated commitment to stymie nuclear proliferation and halt nuclear tests.

In its first substantive comment since India started del-

See CHINA, Page 4

## With Expo '98, Portugal Starts to Strut

### Signs of Renewal, from Euro Entry to Giant Bridge, Are Everywhere

By John Vinocur  
International Herald Tribune

LISBON — This is a harvest season for the Portuguese, a sunburst, a prodigious moment after so many years edged in dark colors and caution.

Like canes and crutches tossed away at the doorstep of a miraculous shrine, the pile of discarded clichés about the Portuguese could rise these days to the level of Lisbon's seven hills. They were supposed to be stuck in an eternal melancholy, a people of cardboard suitcases and immigrants' remittance checks, their afterthought of a country too poor, too cut off, too pessimistic ever to climb into Europe's mainstream.

Instead, the Portuguese joined the founding members of the European

single currency two weeks ago, passing every test with a competence that the old notions held beyond their reach. In April, they opened the Continent's longest bridge, all engineering brilliance and esthetic prowess. And on Friday next week, Expo '98 begins on Lisbon's rebuilt waterfront, a world's fair meant to say, out loud, that something admirable has happened here.

The capital coughs with construction dust. But piles of dirt and gravel one day are grassy oases the next. The Vasco da Gama Bridge, running 12 kilometers (and 5 kilometers more with its approaches) across the Tagus River, cost a billion dollars that could have gone into less self-conscious projects, but its perfect low arc, a silver stone skipping path to the horizon, opens up a modern trade

route to Portugal's south and Spain. In a Europe where self-proclaimed or wishful distinctions clutter — "the euro, a new money to outstrip the dollar," is an example — who's to deny the Portuguese the pleasure they are taking in promoting their own genuine success?

"The country is changing very profoundly," said the minister of culture, Manuel Maria Carrilho. "The Portuguese were traumatized by their past. There has been so much of it, and recently, the revolution and a period of mourning that followed it."

"The Portuguese are prouder now, more optimistic, more ready to plan for the country's future. No one here is opposed to people elsewhere noticing."

See PORTUGAL, Page 9

## AGENDA

### Microsoft Delays Shipping Windows

WASHINGTON — In a last-minute effort to avert a flood of federal antitrust lawsuits, Microsoft Corp. agreed Thursday to delay shipping the upgrade to its popular Windows software to computer makers until Monday so that negotiations with the government could continue.

The Justice Department said it and 20 states had agreed not to file the suits Thursday and that Microsoft had agreed not to ship Windows 98 on Friday. A source described Microsoft's offer as a major concession. Page 15

### The Dollar

New York	Thursday @ 4 P.M.	previous close
DM	1.7789	1.779
DM	1.831	1.834
Yen	133.685	134.155
FF	5.965	5.965

### The Dow

Thursday close	previous close
-39.61	9172.23
	9211.84
	S&P 500
change	Thursday @ 4 P.M.
-1.48	1117.38
	1118.06

### UN Sees Progress On Iraq Arms Cuts

UNITED NATIONS, New York (Reuters) — The Security Council on Thursday acknowledged Iraq's progress in dismantling its clandestine nuclear arms program and promised to consider scaling back UN inspections on atomic weapons.

Books	Page 8.
Crossword	Page 9.
Opinion	Pages 10-11.
Sports	Pages 22-23.

The Internetmark Pages 8, 14.  
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## In Germany, Clinton Draws Adulation and Candidates

By William Drozdiak  
Washington Post Service

BERLIN — Back home, Bill Clinton may feel hassled by a hostile Congress and hounded by a zealous prosecutor. But here in Germany, he discovered that American presidential stature still counts for something.

The postwar partnership between Germany and the United States has endured emotional ups and downs. Some Germans resented what they felt was an unhealthy dependency on the United States during the Cold War, and there are persistent critics who denounce continuing American domination as the primary cultural, military and economic power in the world.

But in the wake of its unflinching support for Germany's reunification eight years ago — in contrast to doubts voiced by France, Britain and other European partners — the United States has enjoyed new popularity here.

During the course of a two-day visit during which he basked in the feel-good glow of the Berlin Airlift's 50th anniversary, Mr. Clinton appeared oblivious to his domestic troubles and almost taken aback by the warm welcome he received from rapturous crowds and the envious politicians who were eager to share in the adulation he received.

With Germany's national elections just four months away, the most sensitive issue confronted by the White House was how to deal with Chancellor Helmut Kohl and his Social Democratic opponent, Gerhard Schröder, as they jockeyed to be portrayed with Mr. Clinton in the most sympathetic light.

With the embattled Mr. Kohl lagging far behind his rival as he strives to win

See CLINTON, Page 9

A U.S. 'bubble economy?' Page 15.







THE AMERICAS

# Secret Service Agents Must Testify, Starr Argues

## They Have 'No Authority' to Refuse, Special Prosecutor Tells Grand Jury in Lewinsky Case



**LITTLE ROCK LOCKUP** — Susan McDougal entering a federal court Thursday. She pleaded not guilty to obstructing justice in not talking to a grand jury about the Whitewater scandal. Her trial starts June 22.

WASHINGTON — The special prosecutor Kenneth Starr argued in open court Thursday that there was "no authority" under federal law for Secret Service agents to refuse to testify before a grand jury in the sex-and-perjury investigation of President Bill Clinton.

Mr. Starr told a U.S. District Court judge here that the Secret Service had failed to address key questions in asserting that agents may remain silent about the president's relationship with Monica Lewinsky, a former White House intern.

There is "no authority, none, zero" in the law "for the privilege being sought today," Mr. Starr argued.

The special prosecutor also said the Supreme Court had taken a "let-the-truth-come-out approach" by requiring that evidence be produced to grand juries in all but the most narrow exceptions.

Mr. Starr has sought to question a half-dozen or more Secret Service officers as he tries to determine whether Mr. Clinton lied under oath in the now-dismissed Paula Jones case about whether he had a sexual relationship with Ms. Lewinsky and urged her to lie as well. A retired Secret Service officer has already testified that the president and Ms. Lewinsky spent at least 40 minutes alone together in the Oval Office in 1995.

CBS News has reported that Mr. Starr also is seeking to question a Secret Service at-

torney, John Kelleher, because a member of the Secret Service had gone to Mr. Kelleher with information about alleged sexual affairs in the White House.

Mr. Starr said Thursday it was "inappropriate and indeed illegitimate for the court to engage" in approving a protective privilege when Congress had already declined to do so. Mr. Starr also said federal law required that executive-branch employees provide any information they have relating to violation of the criminal code.

Gary Grindler, a deputy assistant attorney general in the Justice Department's civil division, argued Thursday that the safety of the president was at stake and that Secret Service agents should be allowed to refuse to answer certain questions.

Judge Norma Holloway Johnson of U.S. District Court questioned Mr. Grindler closely, saying that she did not understand how presidential safety would be compromised by requiring Secret Service cooperation in Mr. Starr's criminal investigation.

Mr. Grindler replied that requiring Secret Service agents to testify would damage "the trust and the confidence of the president in the ability of the Secret Service to step in and protect the president against assassination."

The head of the Secret Service reportedly has argued privately to Mr. Starr and Justice Department officials that forcing his agents to testify in the Lewinsky investigation would

lead to the assassination of a president.

Lewis Merletti contended that presidents in the future would decide to keep Secret Service agents at a distance out of fear of a breach of privacy, making an assassination inevitable. The Washington Post reported Thursday, quoting sources familiar with the conversation.

Judge Johnson has already ruled on the issue of executive privilege, according to sources familiar with the ruling, which like all grand-jury proceedings is sealed.

The sources said the judge ruled May 4 that the prosecutors' interest in gaining the testimony outweighed the president's interest in keeping advice confidential.

A Clinton confidant, speaking on condition of anonymity, said the president had decided to appeal the ruling.

On Wednesday, Senator John Ashcroft, Republican of Missouri, and the House majority whip, Tom Delay of Texas, introduced a bill that would require presidents to report to Congress when they assert executive privilege.

Meanwhile, the president's personal secretary, Betty Currie, returned Thursday for another appearance before the federal grand jury investigating the Lewinsky matter.

### An Impassioned Plea for Restraint

Peter Baker and Susan Schmidt of The Washington Post reported earlier: In an effort to head off the courtroom confrontation, Mr. Merletti — a 24-year vet-

eran of the Secret Service who had served on the protective details of Mr. Clinton and his two predecessors, Ronald Reagan, George Bush, before taking over the top job last year — waged an impassioned, backdoor campaign to persuade the independent counsel to back off, sources said.

In private conversations with representatives of Mr. Starr's office and the Treasury and Justice departments, Mr. Merletti said trust and proximity to a president were crucial to protecting him, the sources said. If a president asked an agent to stand a few feet away to allow him to talk without being overheard, Mr. Merletti reportedly said, it could keep the agent from being close enough to stop a bullet.

To make that case, the service ran through the history of assassination attempts, showing instances where they succeeded or failed, possibly depending on how close agents were to an intended victim. Sources said they produced rare photographs of John F. Kennedy's fateful 1963 motorcade through Dallas, where agents were not standing on running boards on the back of his exposed automobile when shots rang out because the president several days before had ordered them not to.

Officials then displayed pictures showing agents standing next to Ronald Reagan during a 1981 assassination attempt, the sources said. That proximity, the service argued, enabled agents to push Mr. Reagan into a car before he was hit by more than a single bullet.

## Heiress Gets 60 Days In Shooting of Lover

WASHINGTON — A Virginia arms heiress has been convicted of voluntary manslaughter for killing her Argentine polo-playing lover, but a jury sentenced her to just 60 days in jail, partly accepting her argument that she acted with justification.

Susan Cummings, 35, could have faced life in prison if convicted of the original charge of first-degree murder in the death of Roberto Villegas, 38, on Sept. 7. On the manslaughter charge, the eight women and four men on the jury could have sentenced her to up to 10 years in prison.

Ms. Cummings has decided not to appeal and will begin serving her sentence Saturday after a memorial service for her father, Samuel Cummings, a billionaire arms dealer who died less than two weeks ago in Monaco.

Her attorney, Blair Howard, was visibly elated

by the outcome. "We will be eternally grateful for the verdict in our favor," he said.

But friends of Mr. Villegas said they were horrified by the sentence. "Basically, she got away with murder," said Travis Worsham, who had played polo with the victim.

Ms. Cummings had been involved with Mr. Villegas for about two years. They met when she brought him to her 350-acre (140-hectare) estate in northern Virginia as the star player on her polo team. She shot Mr. Villegas four times in the kitchen of the estate, which she shares with her twin sister, Diana.

During the trial, the defense argued that Mr. Villegas was abusive and that Ms. Cummings acted in self-defense. But prosecutors contended that Ms. Cummings was guilty of murder because evidence showed that Mr. Villegas was sitting at the kitchen table when he was shot.

### POLITICAL NOTES

#### California Candidates Clash

LOS ANGELES — In a debate that was rollicking from its opening minutes, the four major candidates for governor of California clashed on various issues, as each sought to capture momentum for the three crucial weeks remaining before the state primary.

While the forum Wednesday delivered on its pledge to illuminate the candidates' stands on the issues, the four hammered away at each other as well. Al Checchi, a businessman, took most of the hits for his massive and, lately, attack-prone television advertising.

"Your ads, Al, have been negative," U.S. Representative Jane Harman told her fellow Democrat. "I resent the distortion of my record. It's false and voters know that and it cheapens your own campaign."

Lieutenant Governor Gray Davis, a Democrat, and Attorney General Dan Lungren, a Republican, also heaved brickbats at Mr. Checchi — Mr. Davis for his advertising and Mr. Lungren for his failure to vote in several California elections.

"I've been attacked for spending my own money by people who take money from others," said Mr. Checchi, who by the end of the primary will have broken the national record for spending for a statewide race. (LAT)

#### Veto Threat Over Highway Bill

WASHINGTON — House and Senate Republicans have moved close to a compromise on a mammoth highway and mass transit bill while the Clinton administration is threatening a veto if the measure proves too costly or forces cuts in other high-priority domestic programs.

The White House budget director, Franklin Raines, warned in a letter to Congress that the president's advisers would recommend a veto if the final bill took too much out of the budget "by spending the surplus, by reducing the domestic discretionary caps, by using unacceptable offsets or by forcing cuts in domestic priorities."

Playing down the importance of the threats, Representative Bud Shuster, Republican of Pennsylvania, chairman of the House Transportation and Infrastructure Committee, told reporters Wednesday that negotiators were "very close." (WP)

#### Quote/Unquote

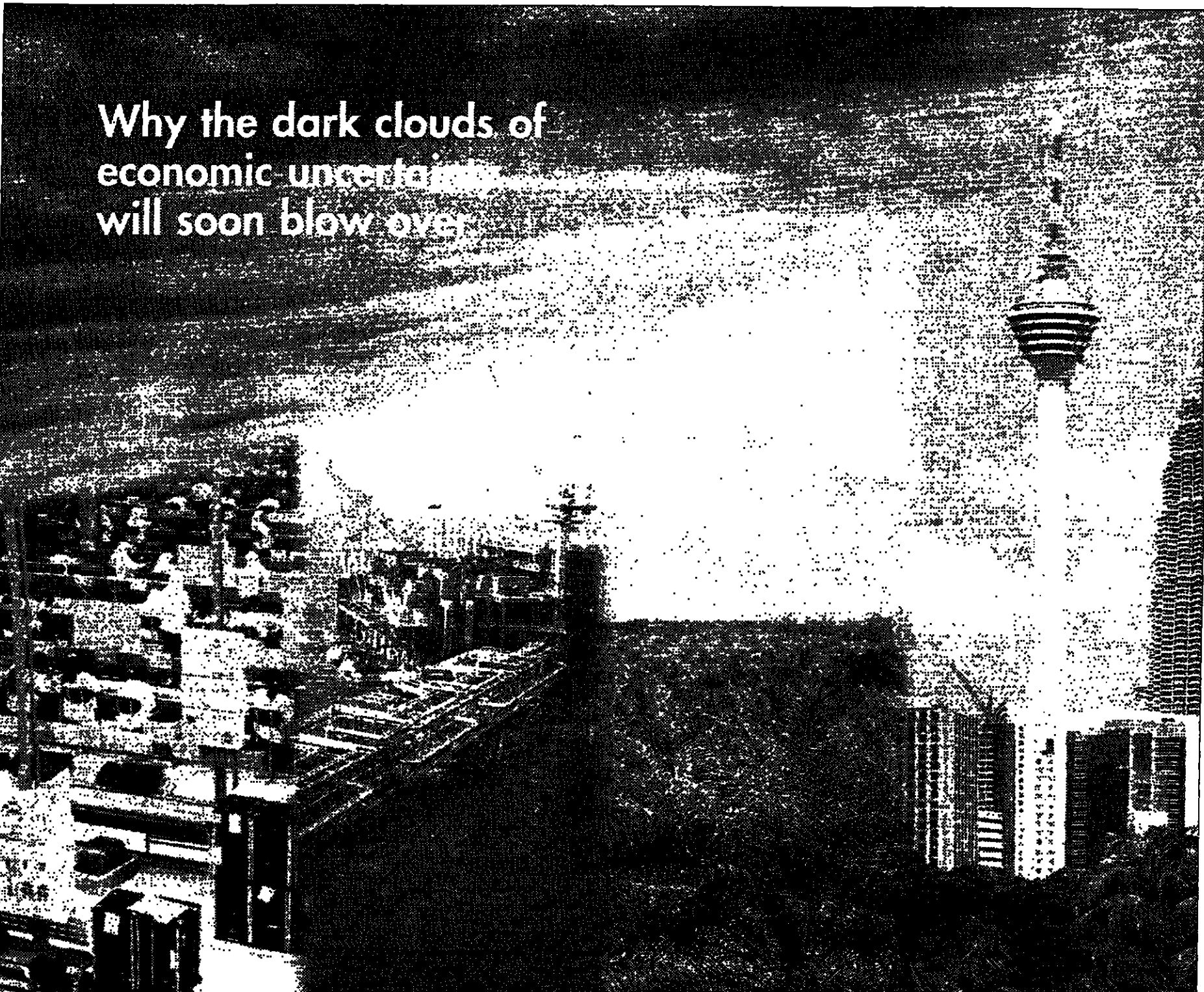
Paul Kanjorski, Democrat of Pennsylvania, as the House panel investigating campaign finance practices remained bogged down amid partisan bickering: "This entire committee should be holding this hearing in a chamber with padded walls. It is humorous, but only because it is so close to what the truth is: We are starting to embarrass the American people." (NYT)

#### Away From Politics

• A Dane arrested for leaving her daughter asleep in a stroller just outside a restaurant where she was eating last year has sued New York City. Alleging that she was charged with endangering her 14-month-old when no crime had been committed, Annette Sorensen is seeking at least \$20 million in damages. (Reuters)

• A ninth-grader who sent a threatening electronic mail to President Bill Clinton was expelled for the rest of the school year by the St. Cloud, Minnesota, school board. (AP)

• Two marauding pit bulls terrorized a neighborhood near a Charleston, West Virginia, elementary school until the police killed the dogs — and then arrested their owner. (AP)



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## MALAYSIA Bullish on Bouncing Back

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## ASIA/PACIFIC

# Missile Strike Forces in the Making

## India and Pakistan March Lockstep Toward a Nightmare Scenario

By R. Jeffrey Smith  
Washington Post Service

WASHINGTON — For much of the past decade, U.S. policy toward the Asian Subcontinent has been quietly consumed by one major ambition: to keep India and Pakistan from obtaining nuclear-tipped missiles capable of destroying each other's major population centers with just a few minutes' warning time.

U.S. intelligence analysts have repeatedly warned that relations between the countries are so poor and so often swayed by domestic politics that the mutual attainment of this capability could make the unthinkable — a nuclear exchange between bitter regional rivals — a reality.

But now, with India's tests this week of five nuclear devices, U.S. officials say this nightmare scenario could be around the corner. New Delhi is suspected of having tested a warhead capable of fitting atop its new medium-range Agni missiles, which are capable of striking major Pakistani cities. Islamabad, for its part, flight-tested five weeks earlier one of its own nuclear-capable Ghauri missiles, which could strike virtually any Indian city.

So far, neither country has deployed its most advanced missiles with nuclear warheads, but U.S. analysts have speculated that both probably could do so in a year or two. If so, it would mean for the first time in the 50 years since India and Pakistan were partitioned by religious differences, they would each possess a hair-trigger ability to

wreak nuclear destruction on the other.

The nuclear tests by India, and some worrisome steps taken earlier by Pakistan, have accelerated the subcontinent's arms race and sown new uncertainty about its outcome, according to U.S. officials and independent experts. For years, "they have been inching along toward a nuclear and missile capability," the acting undersecretary of state, John Holm, said Wednesday. "Now India has just taken a big leap along that path."

Several other officials said that New Delhi's nuclear blasts mean that Washington's long-standing efforts to contain proliferation in the region have been mostly for naught. Diplomatic and economic pressure applied not only in India and Pakistan but also against several key supplier nations often has been circumvented or ignored.

Operating stealthily and with its checkbook at the ready, Pakistan imported key nuclear technology from China and complete medium-range ballistic missiles from both China and North Korea. India, for its part, has used Canadian-made reactors to produce plutonium for its nuclear bombs and made its own missiles with know-how acquired from the United States and Russia.

"There is a lot of momentum in the strategic programs, including the ballistic missile programs," a deputy assistant secretary of state, Robert Einhorn, told the Senate Foreign Relations Committee on Wednesday. "We've put a very high priority in trying to promote restraint."

But other officials said the latest tests reflect the fact that the two countries are in lockstep, with each ratcheting up its military programs in response to the acquisition of key pieces of technology by the other. In explaining their nuclear blasts, for example, Indian officials have complained in part that Pakistan's test of the Ghauri missile was a provocative military display and required an Indian riposte.

The Pakistani military named its new missile, which has an estimated range of around 1,400 kilometers (860 miles), after a famous Muslim warrior who slew the Hindu emperor Prithvi. It was purchased from North Korea in a secret 1997 deal that caused the Clinton administration to invoke economic sanctions May 4 against government entities in both countries.

Khan Research Laboratories, which has long played a key role in the development of Pakistan's nuclear weapons, purchased the missile from Changwang Sinyong Corp. of North Korea. Cash-strapped North Korean engineers had developed it under the name No Dong and sold what U.S. officials described as a "handful" of the missiles to Pakistan for millions of dollars even before their own military fielded the No Dong.

Although Washington has repeatedly asked Pyongyang to constrain its missile sales to volatile regions, North Korea has said it would do so only if the United States paid an amount equivalent to its profits from such sales. "They will sell virtually anything for cash," a senior U.S. official said.

U.S. officials had also approached Islamabad about suspicious contacts with Pyongyang, but the Pakistani officials denied anything untoward. The transfer subsequently escaped U.S. detection until after it was completed, several officials said.

The Ghauri is not the first nuclear-capable missile acquired by Pakistan, but it is clearly the best. U.S. intelligence officials say Islamabad acquired several dozen nuclear-capable missiles from China in a deal concluded by Beijing shortly after Washington's 1992 sale of F-16 fighter planes to Taiwan. These missiles, known as the M-11, have a range of about 290 kilometers, which makes them incapable of striking major Indian cities. So the Ghauri gives Pakistan an assured means of striking New Delhi from various locations inside Pakistan.

Eight months before Islamabad tested

the Ghauri, New Delhi incensed Pakistan by moving some of its short-range Prithvi missiles close to the Pakistani border. Derived from a Russian air defense missile known as the SA-2, the Prithvi is not capable of carrying a nuclear weapon. But it has been used by India as the second stage of a missile that could carry such arms: the Agni, which has an estimated range of 2,000 kilometers and was last flight-tested in 1994.

The first stage of the Agni is a copy of the U.S.-made Scout space rocket, which Washington sold to India many years ago.

"They were able to get a lot of useful stuff from foreigners before the doors came crashing down" in the late 1980s, when the United States and other nations first began to worry seriously about missile proliferation, an official said.

If one of the nuclear tests this week was indeed of a new warhead meant to be deployed with the Agni, India has abundant nuclear material on hand for use in such warheads. It has operated several Canadian-designed nuclear reactors to produce plutonium for its bomb program for many years and has so much material stockpiled that this week its officials endorsed a global treaty to end new production of fissile material.

Washington has long pushed such a pact, but Pakistan — which has far less fissile material on hand — has resisted on grounds that it would effectively leave New Delhi with a permanent advantage. In contrast with India, which relies primarily on plutonium to fuel its bombs, Pakistan has used highly enriched uranium. But in January, Islamabad acknowledged that it had begun operating a nuclear reactor, built with Chinese assistance, that U.S. officials say is ideally suited for producing plutonium for weapons.

Several officials said that when the U.S. national security adviser, Samuel Berger, visited Pakistan, he obtained a pledge that Islamabad would not enrich uranium to the level considered ideal for nuclear arms. But U.S. intelligence officials say they believe Pakistan has not kept its pledge.

If the two countries eventually fielded nuclear-equipped, medium-range ballistic missiles, they would be subject to some of the same tensions experienced by the United States and the Soviet Union during the Cold War, U.S. officials said.

"With the superpowers," an official said, "at least there was a territorial buffer zone. With these two, there not only is no buffer zone, but you have a territorial dispute over Kashmir that could provide the sparks for a war."



Prime Minister Atal Bihari Vajpayee, flanked by two Indian scientists, R. Chidambaram, head of the Atomic Energy Commission, left, and A.P.J. Abdul Kalam, head of a defense research agency, Thursday in New Delhi.

## U.S. Fears a Weekend Test by Pakistan

### Intelligence Sources Indicate Preparations for Explosion in Desert

By Tim Weiner  
New York Times Service

WASHINGTON — Pakistan is preparing for an underground nuclear test that could take place as early as Sunday, according to U.S. officials, citing clear signs from spy satellites, foreign agents and Pakistan's political leaders.

Diplomatic, military and intelligence officials said Pakistan could test a nuclear warhead sometime next week at a desert site in response to five tests that India has conducted since Monday. It would be Pakistan's first test of a nuclear device and would add one more country to the list of nations with an open nuclear ability.

Despite the certain and severe economic and political consequences for Pakistan, and the effect such a test is bound to have on the already soaring tensions in the region, "no one expects them to not have a test," an administration official said.

President Bill Clinton hastily sent a high-level diplomatic team to Pakistan on Wednesday after a discouraging

telephone conversation that morning with Pakistan's prime minister, Nawaz Sharif. The president said he asked the prime minister "to resist the temptation to respond to an irresponsible act."

But "Sharif was not able to give that reassurance," said Karl Inderfurth, the assistant secretary of state for South Asian affairs. "He told the president that he was under tremendous pressure to respond."

Pakistan would suffer the same financial sanctions as India did on Wednesday: a prohibition on private American bank loans, as well as the threat of the loss of World Bank and International Monetary Fund assistance. The World Bank has \$4.4 billion worth of programs under way in Pakistan, and the IMF has offered Pakistan a new \$1.56 billion, three-year loan program, only about \$208 million of which has been disbursed. The money not already in the pipeline would be barred.

India also lost American military and economic aid, which totaled \$145 million this year. The United States already ended all military and eco-

nomics aid to Pakistan in 1990, after it declared Pakistan capable of making nuclear weapons.

Pakistan has been capable of conducting a nuclear test since the early 1990s. American officials said it has produced enough fissile material to build about a dozen warheads. The warheads, apparently based on a Chinese design, could be mounted on missiles.

According to American officials, the test would be conducted in the Chagai Hills, a remote site in the Baluchistan desert, near Pakistan's western border with Iran. One of the warheads would be lowered down a deep shaft, attached to cables and sensors, and exploded.

Pakistan's political leaders have made it plain that they intend to respond to India in kind. India's tests "will not go unanswered," Foreign Minister Gohar Ayub Khan told the nation's Senate on Wednesday.

In addition to these kinds of public pronouncements, U.S. spy satellites have detected military equipment and technical personnel making preparations for a test at the Chagai Hills site, the officials said.

## U.S. Agencies Surprised by 2d India Tests

By Walter Pincus  
Washington Post Service

WASHINGTON — The U.S. intelligence community was caught by surprise again when India announced Wednesday that it had tested two more nuclear devices, according to sources in the administration and on Capitol Hill.

As with the three larger explosions Monday, there was no warning by U.S. intelligence that India would set off two more underground tests at its Pokhran test site in the Rajasthan desert, a senior administration official said Wednesday. "The two explosions," very small, very low yield, needed little preparation that probably would not have been visible to satellite imagery, the official said in explaining the lack of warning.

Officially, CIA officials and other members of the intelligence community declined to comment on whether the agency had advance indications of the additional tests. But at a Senate Foreign Relations Committee hearing Wednesday, Robert Einhorn, deputy assistant secretary of state for nonproliferation, said, "I personally woke up this morning and I did not know about it."

Richard Shelby, chairman of the Senate Intelligence Committee, said of the CIA and Pentagon intelligence agencies, "Something went wrong and we are going to try to find out what happened."

The Alabama Republican's panel and the House Intelligence Committee were to be briefed behind closed doors Thursday by the head of the CIA, George Tenet, in his role as director of central intelligence, on various agencies' failure to warn policymakers about the Indian tests.

In Berlin, the national security adviser, Samuel Berger, said, "The president has full confidence in Director Tenet."

## CHINA: Tests Offer Beijing a Second Chance to Reap Prestige

Continued from Page 1

onating the nuclear devices, China said Thursday that India showed "brazen contempt" for international efforts to halt the spread of nuclear weapons and asserted that it was plotting to dominate South Asia. But consistent with its earlier restrained response, China made no retaliatory threats against India.

Instead, China attempted to portray itself as in the vanguard of efforts to stem nuclear proliferation. The foreign minister, Tang Jiaxun, spoke with Secretary of State Madeleine Albright on Wednesday and urged the United States to work with China to pressure Pakistan to abandon its nuclear weapons program, the state-run media reported.

In addition, an influential Chinese scholar predicted that China would also be willing to put pressure on Pakistan in concert with other countries not to follow India's lead.

"We realize that nuclear proliferation is a great danger," said Shen Jiru, the author of a recent book, "China Won't Become Mr. No," that has become the standard of the internationalist faction in China's elite.

In his book, Mr. Shen even advocates a military alliance among the five pre-

vious nuclear powers to ensure global stability, a proposal that would have been taboo a few months ago.

"This indeed is an opportunity for us to show the world that we are a responsible power," he said in an interview. "We have to begin to look at the world from a new perspective."

Mr. Shen predicted that China would not renege on the Comprehensive Test Ban Treaty or on the Nuclear Nonproliferation Treaty, both of which it has signed in the last few years.

In addition to reshaping its noninterference stance, China's government must further resolve an impending battle between the country's powerful military-technical faction, which could use India's tests as a justification for further nuclear weapons proliferation to Pakistan, and its internationalist wing, which has started arguing vociferously for a fundamental change in the way China deals with the world.

"This is a really interesting test case for China," Mr. Gill said. "It is going to be a signal to the rest of the world of how China is going to carry out the Nuclear Nonproliferation Treaty and the rest of its other security agreements."

Just six months ago, China portrayed itself as stemming the spread of South-

east Asia's financial crisis. Its loan of \$1 billion to Thailand and its refusal to devalue its currency earned Beijing high marks in international financial circles.

India's nuclear tests on Monday and Wednesday have thrown the region into a different type of crisis — of security, not economics. Coupled with a threat from North Korea on Thursday to resume its nuclear program, the events show that Asia is fast becoming the focal point of international security issues.

But with reference to both India and North Korea, China appears to be adopting a measured attitude, emphasizing its commitment to stability in the region. The response shows how far Mao, when Chinese revolutionaries called for the proliferation of nuclear weapons around the world to break what they called the U.S.-Soviet monopoly on weapons of mass destruction.

It is also a strong indication that, in fits and starts, China is increasingly acting like a traditional power, eager to maintain its strategic advantage over non-nuclear powers while improving its position in regard to other nuclear states.

American and Chinese experts predicted that India's actions could help China in two major ways.

First, if China follows its own rhetoric and opposes nuclear proliferation, it would significantly weaken the position of those in the United States who assert that China is a direct threat to American interests. Second, it could strengthen China's hand in negotiations with the United States to remove sanctions restricting the flow of U.S. high-technology. Beijing is specifically known to be seeking access to U.S. technology that allows simulated nuclear tests, in addition to nuclear weapons safety technology.

"China's adherence to the test ban treaty and steadily improving behavior on nonproliferation may look pretty good to Americans by contrast with Indian arrogance and recklessness," said Chas Freeman, a former Defense Department official and expert on Chinese security issues, who predicted that India's tests could result in closer Chinese-American ties.

Looking at the example of the Cold War, they draw the obvious though perhaps frightening conclusion: that to deter India from attacking them with nuclear weapons, they must have such weapons themselves. With that calculation, many post-Cold War dreams evaporate.

Some voices are being raised against the evident surge in favor of Pakistan's entry into the nuclear club. More than a few newspaper columnists and editorial writers have urged restraint and warned that Pakistan could not withstand the barrage of foreign sanctions that would certainly follow a nuclear test.

"Given the fact that the Pakistani economy is entirely dependent on foreign loans, any explosion seems a remote possibility," the Peshawar newspaper Frontier Post said in an editorial.

At midday Thursday, about 100 demonstrators marched through the streets of Islamabad carrying signs reading "Schools Not Bombs" and "Pakistan: Respond With Restraint."

A coalition of 12 peace and human rights groups issued a statement condemning India's tests as "a cover for war-mongering and hegemony by the present Indian regime" but urging Pakistan to "respond responsibly to the Indian provocation and renounce the path of nuclearization."

## Experts Doubt North Korea's Nuclear Taunt

By Kevin Sullivan  
Washington Post Service

TOKYO — A North Korean official suggested Thursday that Pyongyang might revive its own nuclear program, but American, South Korean and Japanese experts said they viewed the threat as more of a bluff than a reality.

North Korea's ambassador to China, speaking to reporters in Beijing, said his country was considering reopening a nuclear power plant it closed in 1994. The plant is capable of producing plutonium that could be used in the manufacture of nuclear weapons.

American and Asian experts, however, said it would be too expensive and technologically complex for North Korea to reopen the plant.

On Wednesday in Washington, James Rubin, the State Department spokesman, said, "We're confident that North Korea has not violated the across-the-board freeze on its nuclear activities, and that the agreed framework is alive and well."

In Seoul, a Foreign Ministry spokesman said Thursday that the government does not believe Pyongyang will reopen the old reactor. Officials privately say North Korea is simply trying to push for oil shipments by using the leverage of its nuclear threat.

Nonetheless, North Korea's rhetoric raised new concerns because of heightened tensions over the Indian nuclear testing and the unpredictable nature of Pyongyang's diplomacy. In addition, a 1994 agreement to freeze North Korea's nuclear program is already in jeopardy from economic problems in South Korea and Japan.

The closure of the nuclear power plant was a key element of the \$5.2 billion deal struck in 1994 between North Korea and a U.S.-led consortium of nations. North Korea agreed to close the plant and hand over its spent fuel in exchange for construction of two light-water reactors, whose fuel is much harder to use in weapons production. Also, the consortium agreed to provide North Korea with a half-million tons of fuel oil each year until the new power plants are completed, sometime after 2000.

Ambassador Chu Chang Jun said North Korea was angry at the United States, leader of the Korean Peninsula Energy Development Organization, for delays in providing fuel oil. Republicans in the U.S. Congress, who advocate a harder line toward North Korea, have refused to make payments to the Korean Peninsula Energy Development Organization, and some shipments of oil have been late.

Katsumi Sato, head of the Modern Korea Institute in Tokyo, said he doubted North Korea had the money or the technological know-how to restart the closed reactor.

## PAKISTAN: Islamabad Comes Under World Pressure to Refrain From Imitating India

Continued from Page 1

Council said it "strongly deploras" the Indian tests and, in an implicit appeal to Pakistan, urged it not to follow suit.

A spokesman for the Japanese government, which earlier in the week froze hundreds of millions of dollars in aid to India, said Japan had sent a message to Pakistan saying "that we would hate to find ourselves in a position where we would have to do the same to Pakistan."

"This is a real danger for all of Asia," the spokesman, Sadaaki Numata, told a television interviewer in Tokyo.

Prime Minister John Howard of Australia announced a suspension of defense contacts and an end to all nonhumanitarian aid for India, and urged Pakistan not to try to match India "tit for tat."

"We are very, very deeply concerned about the possibility of a nuclear arms race," Mr. Howard told reporters in Canberra. There was no indication, however, that these appeals were changing the position of Pakistan, which has fought three wars with India since 1947 and fears another one.

"India's actions, which pose an immediate and grave threat to Pakistan's security, will not go unanswered," a senior Pakistani diplomat, Munir Akram, told a UN disarmament conference in Geneva on Thursday.

Domestic pressure on the government to begin nuclear testing intensified as it became clear that India's two detonations on Wednesday were to test weapons that could be used on the battlefield against tank formations or infantry units. Foreign Minister Gohar Ayub Khan called these weapons "Pakistan-specific."

The Pakistani cabinet met Thursday but made no decision on how to proceed. Foreign diplomats in Islamabad said the final decision would probably be made jointly by Prime Minister Nawaz Sharif and his army commander, General Jehangir Karamat.

India and Pakistan launched competitive nuclear programs more than a decade ago, but both had refrained from testing nuclear weapons until India took

that step this week. For Pakistan to avoid responding would be a retreat from its long-standing policy of seeking to match India in every way.

This policy is based not simply on Pakistan's desire for prestige and recognition as a technically advanced power. It also reflects a deep-seated fear that India has never truly accepted its existence and that now, under a Hindu nationalist government, it will seek to overrun and destroy predominantly Muslim Pakistan.

In making their case that Pakistan should not begin nuclear testing, foreign leaders have sought to persuade their Pakistani counterparts that Pakistan's long-term security would be better served if it remains nonnuclear.

"Pakistan's national security probably would not be enhanced by an immediate response to India's testing," said a foreign diplomat in Islamabad who is engaged in the debate here. "The Pakistanis closely monitoring the debate here. The Pakistanis have an opportunity to de-link themselves from India in this area and use the distance generated by the tests to Pakistan's advantage. They could come out of this quite well if they put maximum pressure on the outside world to isolate and punish India, and use India's testing to draw support to themselves as a moderate and self-restrained country."

To many countries, including the United States, long used to thinking of India as a plucky democracy and Pakistan as ruled by unsavory militarists, India's nuclear tests came as a great shock. For Pakistanis they were a kind of vindication, proof that what they have been telling the West for years is true.

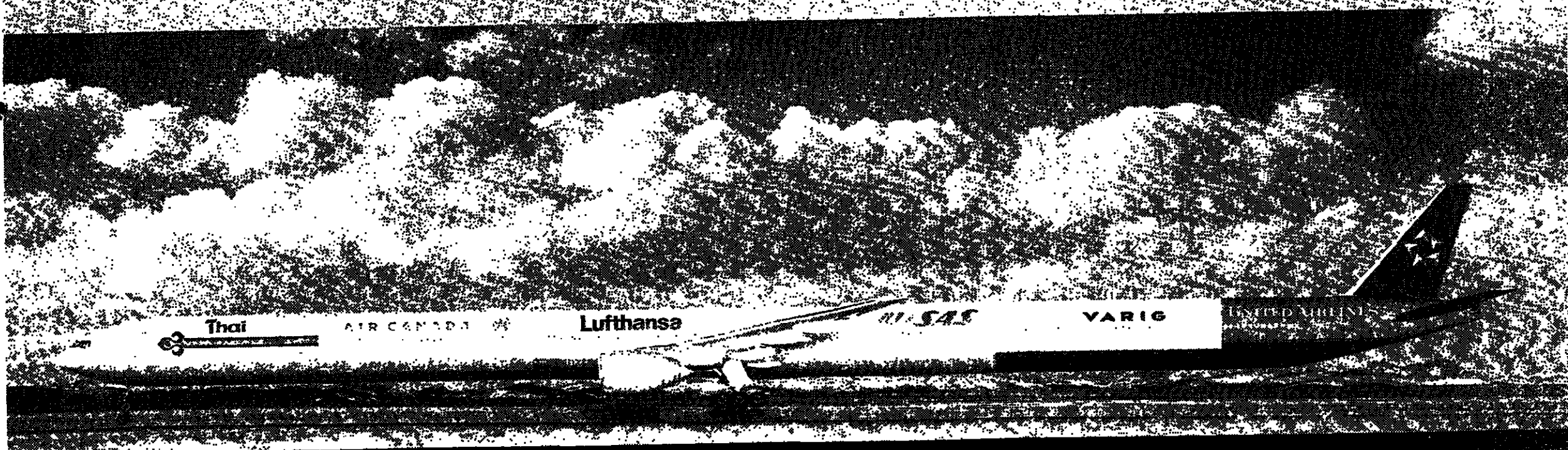
India's tests present Pakistan with a remarkable opportunity. If Pakistan refrains from answering in kind and keeps its nuclear genie in the proverbial bottle, it will be widely viewed as a mature and responsible state while India is perceived as a dangerous rogue.

Pakistan has been fighting for years to achieve this status, and now India has finally given it victory. This should and can be a triumphant moment for Pakistan, a turning point at which the world begins to see it and not India as South Asia's good guy. But Pakistan will only be able to seize this moment if it refrains from conducting its own nuclear test.

Domestic political pressures make it exceedingly



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## ASIA/PACIFIC

## Some Nations Prepare to Evacuate Their Citizens From Indonesia

Compiled by Our Staff From Dispatches

SINGAPORE — With rioting spreading in Indonesia, governments around the world advised their citizens Thursday against traveling to the archipelago and others prepared to evacuate expatriates.

In Washington, a U.S. official indicated that authorities were ready to implement contingency plans for an evacuation of American citizens if necessary.

The main highway to Jakarta's international airport was closed Thursday with roadblocks set up by people demanding money from foreigners and searching cars for ethnic Chinese. But the airport remained open and many flights from the capital were full.

The U.S. Embassy in Jakarta said it had approved the departure of dependents of embassy staff following widespread rioting in the city.

Similar requests from employees would also be considered, it said. "Private American citizens in Indonesia may wish to consider departure as well," the embassy said.

The German Foreign Ministry advised German citizens not to travel to Indonesia, except to the resort island of Bali.

France warned its citizens on Thursday not to travel to Indonesia, but did not advise those already there to leave.

In Washington, Assistant Secretary of State Stanley Roth, addressing the Senate Foreign Relations Committee on Thursday, described the

situation in Indonesia as "very dicey" and said neither U.S. nor Indonesian authorities could guarantee the safety of the 15,000 Americans in the country, 3,000 of whom are in Jakarta.

"We are spending most of today making arrangements to do what's necessary to get them out," he said. Another U.S. official, who asked not to be named, indicated that authorities were ready to implement contingency plans for an evacuation of American citizens.

"The situation in Indonesia kept us up most of the night," Mr. Roth added. "Our top priority is the safety of the American citizens in Indonesia."

His comments appeared to indicate sharply increased concern on the part of the State Department for the safety of U.S. citizens in Indonesia as well as deeper worry about the worsening unrest there.

In Paris, a Foreign Ministry spokeswoman, Anne Gazeau-Secret, said the 2,300 French citizens living in Jakarta were being advised not to move around in the capital except in urgent circumstances.

Miss Gazeau-Secret said European Union embassies in Jakarta were working together to monitor the security situation for EU citizens there.

Japan, Indonesia's main financial backer, advised its citizens, including tourists, not to travel to Indonesia unless it was essential.

Tokyo said it was very concerned about the growing unrest and was closely monitoring the

situation, but said Japan's military was not yet considering sending aircraft to Indonesia to evacuate its citizens.

Japanese companies were asking families of their employees in Indonesia to leave and barring employees from making business trips there.

Singapore Airlines said its flights from Jakarta were running full and it was weighing whether to increase the frequency.

A Singapore Air spokesman said the airline, which operates seven daily flights from Jakarta into Singapore, was monitoring the situation. Thailand's powerful army chief, Chetta Thanajaro, said the Thai military was prepared to evacuate the 500 Thais living in Indonesia if the situation deteriorated. (Reuters, AFP)

## Business Stops, Rupiah Drops and Banks Close

Compiled by Our Staff From Dispatches

JAKARTA — Indonesia's currency plunged, business in the capital came to a standstill and foreign banks began evacuating staff Thursday after riots swept Jakarta for a third day.

The dollar climbed to 11,700 rupiah from 9,237.50 on Wednesday, driving the Indonesian currency to a three-month low.

The rupiah has lost 52 percent of its value against the dollar this year.

"The time bomb has finally exploded," said Wong Keng Siong of Dai-ichi Kangyo Bank Ltd. in Singapore.

Businesses came to a standstill at the headquarters of most large Indonesian companies in Jakarta.

Foreign business also pulled back, as Deutsche Bank AG shut branches and BankAmerica Corp. and others began moving employees out of the country.

Merrill Lynch & Co., ABN-AMRO NV and others sent staff home early.

"We're getting out anyone who isn't indigenous Indonesian," a BankAmerica senior vice president said. "We're only leaving those who we have to leave, because we feel it's pretty serious."

The disruption of business is likely to push the struggling Indonesian economy into an even deeper decline.

The inflation rate is already at a 23-year high of 45 percent and unemployment is swelling.

For weeks now, the financial community and such foreign companies as Cathay Pacific Airways Ltd. have been preparing for the worst. Many put plans in place to pull executives out of the country, especially ethnic Chinese, whom many Indonesians associate with President Suharto's rule. As shops were set ablaze across Jakarta on Thursday and the police cordoned off the city's Chinatown, some set those plans in motion.

The Jakarta Stock Exchange remained open, and the benchmark index finished 1.64 points higher, at 403.70, after light trading. Strong currency-related gains in a few heavyweight stocks prevented a deep decline.

Shares in companies linked to Mr. Suharto fell as mobs targeted several buildings linked to companies controlled by the president's family and friends in Jakarta.

PT Bimantara Citra, controlled by Bambang Trihatmojo, a son of the president, dropped 125 rupiah, or 25 percent, to 375. A car dealership displaying Bimantara sedans was set on fire in the rioting.

PT Maharani Intifinance, a finance firm controlled by a daughter of Mr. Suharto's, Siti Hediati Prabowo, fell 25 rupiah, or 20 percent, to 100.

Rioters set fire to at least two branches of Bank Central Asia, the largest private bank in the country, witnesses said. BCA is co-owned by the Salim family, which is led by the wealthiest Indonesian, Lim Sioe Liang, and some of Mr. Suharto's children.

Mr. Lim's central Jakarta house was burned by a mob during the riots, the official Antara news agency said Thursday. The mob also destroyed documents, family pictures and five cars at the Gunung Sahari Street house. It was unclear whether Mr. Lim was there during the attack. (Bloomberg, Reuters)

## U.S. Calls Off Military Visit To Indonesia

Compiled by Our Staff From Dispatches

WASHINGTON — The Clinton administration postponed a planned visit by a military delegation to Indonesia on Thursday, citing the situation in Jakarta and uncertainty about the officials the team would meet.

"Given the deterioration today and the situation in Jakarta, there was a literal question of getting into the country and then the question of who do you meet with when you get there," the State Department's top policymaker for the region, Stanley Roth, told a congressional hearing.

The U.S. delegation was to have been headed by Admiral Joseph Prueher, commander of U.S. forces in the Pacific. He was to have carried a message urging restraint by Indonesian security forces while dealing with mounting anti-government demonstrations.

Mr. Roth told a Senate subcommittee that the mission, which was to have begun Thursday, would be postponed until it could be carried out. "But the message of restraint will go forward," Mr. Roth said. "We regret that it hasn't been listened to."

The U.S. military officers had been expected to warn their Indonesian counterparts in blunt terms that the country could face collapse without restraint by the armed forces. The New York Times reported earlier.

Officials told The Times that Admiral Prueher would make what one described as a "soldier-to-soldier" appeal to General Wiranto, the chief of the 400,000-strong Indonesian armed forces.

Administration officials said that the Pentagon hoped that Admiral Prueher's trip would not be seen as an effort by the United States to side with the military against President Suharto or against anti-government demonstrators.

"Our concern — plain and simple — is to do what we can to prevent the violence from spilling out of control," an official said. "There is no other agenda." (Reuters, NYT)

## SUHARTO: The Question Now Is When and How, Not Whether, He Relinquishes Power

Continued from Page 1

grave enough to warrant a lengthy jail term. Just Wednesday, the English-language Jakarta Post carried yet another front-page commentary, this time by Marsilam Simanjuntak, a founder of the Forum for Democracy, saying, "Suharto has to step down first, by whatever means acceptable." He also was quoted as having said that he saw indications that "the power balance is now in favor of the demonstrating students."

The political crisis has all but eclipsed the economic one, although each feeds on the other. The wave of protest for political reform gained momentum with the government decision last week to impose hefty price increases on fuel and electricity. This week's political turmoil took a heavy toll on the battered local currency, with the rupiah plunging Thursday to 11,700 to the dollar.

"Everybody's coming to the conclusion that this political strife situation is becoming such a problem that the economic problems, which are horrendous, are really on the back burner," said another diplomat.

Among other things, some diplomats and economists here predict that the \$43 billion economic bailout by the Inter-

national Monetary Fund may be in jeopardy, as Mr. Suharto's continued stay in office increasingly appears to be part of the problem in Indonesia, not the solution.

Rather than feeling elation, however, many government critics feel that Indonesia is entering an increasingly dangerous period as it prepares for a wrenching succession. Although they are convinced that a change at the top is imminent, many here fear there may first be a period of increased repression. There are also deep concerns that a long-remembered rift in the top ranks of the military could be widening — and could even be behind the current unrest.

Under one scenario widely discussed, Mr. Suharto could be preparing to impose martial law or invoke emergency powers. That might allow him to order the campuses closed and the students sent home to keep the disturbances from spreading.

But such a dramatic course would carry "a potentially high cost, both domestically and from the international angle," a Western diplomat said. Domestically, imposing martial law might severely test the ability of the 400,000-member armed forces to maintain order in this vast archipelago; many believe



A demonstrator shaking hands with a soldier who had come to quell a riot in central Jakarta on Thursday.

## Frightened Chinese Fleeing 'War Zone'

By Jocelyn Gecker

The Associated Press

JAKARTA — Hundreds of desperate ethnic Chinese fled to Jakarta's international airport on Thursday, hoping to escape rioters who have targeted their shops and homes.

Airport hotels were fully booked and many people were turned away from airline counters as they tried to buy tickets on flights out of the capital, where rioting raged for a third day.

"I'll go anywhere — Singapore, Malaysia, Hong Kong, Australia," said John Lee, who was skeptical that he could

find seats for his 20 family members. The ethnic Chinese minority makes up 4 percent of Indonesia's 200 million people, but the Chinese dominate commerce and industry. They are frequent scapegoats in tough times.

Many Chinese boarded flights to Batam, a small Indonesian island near Singapore. Some families had to fly to different destinations to get out.

Fred Fuller, a businessman, waited in line to buy 10 tickets for family members to Melbourne.

"I heard that's the closest flight available," he said. "It's not that I think it's unsafe for me. It's for my kids. They

shouldn't have to experience this." At the airport, many nervous Chinese stood by luggage carts stacked high with boxes and suitcases and talked incessantly on cellular telephones.

"Jakarta is on fire. We'll go anywhere," said Siaumei Wen, a 27-year-old Chinese woman who was trying to buy plane tickets for her family. "It's a like a war zone."

She said rioters stopped her brother on his motorcycle Wednesday and asked him to remove his helmet to see if he was Chinese.

"Fortunately his skin is dark enough. He can pass for Indonesian," Mrs. Wen said.

## INDONESIA: Looting, Rioting and Arson Engulf Jakarta

Continued from Page 1

closed in the early afternoon, sending a fresh wave of people into the streets to witness and participate in the destruction. By early evening the airport toll road was closed.

Witnesses said mobs of people were stopping and attacking cars trying to get to the airport.

"We have to change things, even if it is very violent," said Lant, a professor of dentistry at the University of Indonesia, who turned out Thursday morning for a rally of several thousand students on the campus in central Jakarta.

Mr. Lant, who as a teenager marched in the 1966 demonstrations that led to the overthrow of President Sukarno, said that the students of today would not be satisfied by anything short of Mr. Suharto's resignation.

Like hundreds of others at the rally, he wore a black band around his neck to honor the students killed by security forces following a demonstration at Trisakti University.

Those shootings outraged the public, sparking riots on Wednesday in the streets near the university and the more widespread destruction Thursday.

The unrest has grown so severe that Mr. Suharto hinted he might step down.

At a meeting with Indonesians on Wednesday in Cairo, where he was attending a meeting of 15 developing nations, Mr. Suharto said, "If I am no longer trusted, I will become a *pandito* and endeavor to get closer to God."

"*Pandito*" is the Indonesian word for a sage, suggesting that Mr. Suharto might accept an advisory role. But political analysts here cautioned that Mr. Suharto

made a similar concession before his re-election to a seventh five-year term in March. And Indonesia's foreign minister, Ali Alatas, played down suggestions of a resignation. "He didn't say exactly step down," Mr. Ali said to reporters in Cairo, offering a rather elliptical explanation that Mr. Suharto would heed the wishes of the people, but only within the bounds of the constitution.

At the University of Indonesia on Thursday, where banners demanding political change hung from the Dutch colonial administration building, the students were in no mood to debate the semantics of Mr. Suharto's statement.

"He should have left months ago," said Meli, a 23-year-old international affairs major who handed out leaflets at the rally. "But it is better late than never."

In a speech to 5,000 cheering students, Hariati Darmawan, the head of the University of Indonesia Alumni Association, warned the students not to be drawn into the mayhem outside the campus.

"The burning of the city is not being done by students," he said. "It is being done by outsiders."

But while University of Indonesia students remained on the campus, thousands of others marched through Jakarta, carrying banners.

When one crowd of students attempted to march to the University of Indonesia, they were stopped by a phalanx of riot policemen, who fired repeatedly in the air to force them back. The crowd set a car ablaze, smashed windows and tore down street signs and fences.

An even bigger threat came from mobs of young people who flooded one of the city's ghettos, starting early in the morning. These people, who have been hit hard by Indonesia's spiraling unemployment, gave vent to their feelings in a free-form rage against anything in their path.

As in last week's riots in Medan, in North Sumatra, much of the aggression was aimed at ethnic Chinese people, who account for less than 5 percent of the population of about 200 million but control a large part of Indonesia's commerce. Banks and shops owned by Chinese were gutted, sending clouds of smoke over the ethnic Chinese district in North Jakarta.

A Reuters report said that six Chinese were burned to death in a bar. That follows the death of 12 Chinese trapped in a burning building during riots early Wednesday morning.

Diplomats said that ethnic Chinese called the U.S. Embassy in a panic Thursday, pleading for help. And they flooded highways to the airport, hoping to catch flights to Singapore or Hong Kong. Rioters looted Chinese shops in the street just behind the embassy compound in central Jakarta.

"These people have had no outlet for their frustrations," said Harinar Siregar, a former student activist who led anti-government demonstrations in 1974 and returned to his alma mater, the University of Indonesia, to watch the protests. "When they think about political protest, they just think 'burn everything.'"

From the roof of a high-rise hotel in central Jakarta, this city of 10 million looked like a vast inferno. One could see huge columns of smoke rising in every direction, with new fires erupting every

## BRIEFLY

## Sri Lanka General Killed by Bomber

COLOMBO — A suicide bomber threw himself in front of a vehicle carrying a Sri Lankan brigadier general, killing the officer and two of his guards near the northern town of Jaffna on Thursday, military officials said.

The military also reported 29 more deaths in other action in the past two days.

Brigadier General Larry Wijeyaratne was returning to his fortified camp after bidding farewell to the residents to take up a new post in Colombo, the capital, the military said. Thursday was his last working day at Vadamardachchi, the coastal town where Vellupillai Prabhakaran, leader of the rebel group Liberation Tigers of Tamil Eelam, was born.

There was no claim of responsibility, but the military blamed the rebel group. The body of the suicide bomber disintegrated from the force of the blast, but military officials said she apparently was a member of the elite suicide squad known as the Black Tigers. (AP)

On Thursday, a Westerner was killed in a suicide bombing in a crowded market in the capital, Colombo. The bomber was a member of the Black Tigers. (AP)

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Clinton, Kohl to Ha  
Veteran Fliers Att

By Dan Balz

Washington Post Staff Writer

BERLIN — Gail Halverson was a young pilot when the United States and other Western allies launched the Berlin Airlift in the summer of 1948 to break the Soviet blockade of the city. "I thought it would be over in a few weeks," she said. Instead of a few weeks, the airlift lasted 11 months and the airlift continued for 15. Over that time, 23,000 planes flew more than 175,000 sorties of food and medicine into the city.

Mr. Halverson flew out of the city in 1949 and was back in Berlin on Thursday to commemorate the 50th anniversary of the Berlin Airlift. He was one of the oldest and most experienced of the many pilots who flew into the city during the airlift.

The cooperation between the allies of the United States and the Soviet Union made the city a symbol of the Cold War. The airlift helped transform German-American relations.

As Mr. Clinton and Mr. Kohl arrived in Berlin, they were greeted by a large crowd of people. The crowd included many of the pilots who flew into the city during the airlift.

Mr. Clinton and Mr. Kohl were accompanied by a large entourage. The entourage included many of the pilots who flew into the city during the airlift.

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EUROPE

# Clinton, in Berlin, Joins Kohl to Hail '48 Airlift

Veteran Fliers Attend Commemoration

By Dan Balz  
Washington Post Service

BERLIN — Gail Halvorsen was a young pilot when the United States and other Western allies launched the Berlin Airlift in the summer of 1948 to break a Soviet blockade of the city. "I thought it would be over in a few weeks," he said. Instead of a few weeks, the blockade lasted 11 months and the airlift continued for 15. Over that time, allied planes flew more than 278,000 sorties, or individual missions, into Berlin.

Mr. Halvorsen flew 190 of those himself and was back in Berlin on Thursday to commemorate the 50th anniversary of one of the boldest chapters in American and European history and one of the most audacious examples of airpower ever seen.

If it was a month short of the real 50th anniversary, no one seemed to mind. President Bill Clinton joined Chancellor Helmut Kohl at Tempelhof Airport in Berlin to praise both the courage of crews that kept the city alive and the spirit of the people in Berlin in the face of Soviet aggression.

The cooperation between the allied military forces and the people of Berlin made the city a symbol of resistance to Soviet expansionism. The airlift also helped transform German-American relations.

As Mr. Clinton put it Thursday, "Western allies became protectors, instead of occupiers, of Germany."

He and Mr. Kohl were joined by some of the veterans of the airlift and by thousands of Berliners who cheered the contribution of the American pilots and their own spirit of determination to survive. Mr. Clinton called Tempelhof Airport "the first battlefield of the Cold War."

On the runway on Thursday there was a little C-54 cargo plane that Western pilots used to ferry flour and coal, food and medicine into Berlin around the clock for those 15 months, landing every 90 seconds at the peak of the operation. Hovering over the C-54 was a huge, modern C-17 cargo plane, christened by Mr. Clinton and Mr. Kohl as "The Spirit of Berlin."

Kenneth Herman was one of the American veterans on hand for the events. He was 25 years old when the airlift began and over the next 15 months flew 190 sorties.

"We knew we were tasked to keep the Russians from forcing the allies out of Berlin," he said. "We were not about to allow a repression-type government such as the Communists take over all of Berlin."

Mr. Halvorsen, whom Mr. Clinton mistakenly referred to as "she" in his speech, talked about the scariest moment of his airlift experience, the day in August 1948 when air traffic controllers in Berlin lost control of the planes supplying the city. Mr. Halvorsen was at 10,000 feet when, suddenly, another plane appeared at the same altitude. "We came head on," he said. "We just missed by a few feet."

Mercedes Wild, who was a little girl longing to receive a candy drop from the allied planes, told the audience that the planes were bringing not only supplies but also "the hope of freedom" to the residents of Berlin. "As children we had learned to fear the sound of planes, but we didn't fear these," she said.

Both Mr. Clinton and Mr. Kohl used the memories of the airlift to encourage the same kind of resolve and determination in the reshaping of Europe after the Cold War.

"I hope both Americans and Germans will always remember the lesson of what happened here 50 years ago," Mr. Clinton said. "We cannot relinquish the responsibilities of leadership, for the struggle for freedom never ends."

Later he and Mr. Kohl left Berlin for Eisenach, a small city in the former East Germany that is suffering economically.

The two leaders toured an Opel car plant that General Motors opened in 1992 to promote foreign investment in eastern Germany and later they spoke to an enthusiastic audience packed into Eisenach's picturesque town square.

Mr. Clinton praised Mr. Kohl, who faces a difficult re-election fight this year, during an afternoon that had all the appearances of a presidential campaign.



Chancellor Helmut Kohl and President Bill Clinton listening Thursday at Tempelhof Airport to remembrances by Gail Halvorsen, one of the many American pilots during the 1948 Berlin Airlift.

# Italy Coalition Endangered By Hard Left's NATO Stand

Compiled by Our Staff From Dispatches

ROME — Strains appeared in Prime Minister Romano Prodi's government Thursday after the Refounded Communist Party, which supports Mr. Prodi in Parliament, voted against the enlargement of NATO and warned of a possible government crisis.

"I hope not, but I can't deny that it exists," Nerio Nesi, head of party's economic department, told a television interviewer of the risk of the government's falling. "This is not the only difference we have," he added, "and when I use the word 'difference' I am being very diplomatic."

The far-left remnant of the former Communist Party voted against a Senate resolution late Wednesday on the enlargement of the North Atlantic Treaty Organization to include Poland, Hungary and the Czech Republic.

The measure nevertheless passed in the upper house, 116 to 9, with 3 abstentions, as the center-right opposition and centrist parties also voted for it.

The Refounded Communists hold 11 seats in the Senate, and the coalition government does not depend on the party for its majority there.

But Mr. Prodi's government, which marks its second anniversary in office Saturday, relies on the 34 Refounded Communists in the lower house, which is expected to vote on NATO expansion in the next few days. The party said it would also vote against expanding the alliance in the Chamber of Deputies.

"If Refounded Communist decides to vote against the majority, I think the government will fall," said Massimo D'Alema, head of the Democratic Party of the Left, the main coalition member.

The head of the Refounded Communists, Fausto Bertinotti, pushed the government to the brink of collapse last year when it voted against sending peacekeeping troops to Albania. The center-right opposition saved Mr. Prodi by approving that measure.

"Our aversion to NATO runs very deep," he said. "Besides, it is not the first time we disagree with the government on foreign policy."

The opposition Freedom Alliance led by former Prime Minister Silvio Berlusconi is expected to vote for NATO expansion in the lower house, but political commentators say that if Mr. Prodi must rely on the opposition again it could be a major blow to the strength of his government. (Reuters, AP)

# Missile Expert Warns of '100s of Chernobyls'

By David Hoffman  
Washington Post Service

MOSCOW — A Russian specialist on strategic missiles has warned that Russia's older submarine-based nuclear-armed missiles are wearing out and has publicly criticized the military leadership for prolonging their use, which he said risks a catastrophe.

The specialist, Yuri Balashov, said in recent interviews that military leaders had kept sea-based missiles on duty without their having undergone thorough individual checks. In surprising detail, Mr. Balashov described how the liquid-fueled intercontinental ballistic missiles, which carry nuclear warheads, have been corroded and degraded by age, making them potentially unreliable.

He said corrosion and "natural weakening" of the rockets' metal parts heightened the risk of an unintended explosion. Russia is risking "hundreds of Chernobyls" by keeping the rockets in service, he said.

Mr. Balashov did not identify the type of missile he was referring to, but it was clear he was describing the SS-N-18, a two-stage, liquid-fueled missile which carries three nuclear warheads. Russia has 208 of the missiles deployed on Delta III class submarines in its Northern Fleet, according to its arms treaty declarations.

The first SS-N-18 missiles were deployed 20 years ago and are believed to be nearing the end of their service life.

Mr. Balashov, 64, who lives in the Siberian city of Krasnoyarsk, worked until recently preparing documents certifying the readiness of such missiles and said he decided to speak out because military leaders were pushing the weapons too far and his protests were being ignored.

Western analysts and policymakers have long debated the dangers of Russia's elderly strategic missile forces. Russian officials have denied that there are safety problems.

Mr. Balashov's comments follow a still unexplained incident aboard a Russian nuclear-missile submarine in the Barents Sea on May 5. According to a Western source, the stricken nuclear-powered sub sent an emergency call for help and had to be escorted to its base on the Kola Peninsula in northern Russia.

At the time, panic swept the northern cities of Murmansk and Severomorsk. Russian press agencies reported. Schools were closed, and residents bought iodine to counter the effects of a possible radiation leak. Two days later, officials said there had been no accident and there was no reason for panic. Vice Admiral Mikhail Barskov said "regular planned exercises" were taking place.

But the Western source called the "exercises" a cover story to disguise the fact that there had been a leak or explosion in the fuel tank of one of the missiles aboard the submarine. The source said that there was no radiation leak but that the missile was damaged, apparently by its highly toxic fuel.

Alexei Tarasov, the Izvestia correspondent who interviewed Mr. Balashov, said the Federal Security Service, the domestic agency that succeeded the KGB and monitors military establishments, had prohibited Izvestia from publishing the precise designation of the missile. The description, however, fits the SS-N-18, which is a NATO designation for the 47.8-foot, 77,836-pound submarine-launched rocket that the Russians call the RSM-50.

Mr. Balashov said he was moved to speak out by a statement made recently by the head of the land-based strategic missile forces, General Vladimir Yakovlev, who said that 62 percent of Russia's strategic rockets and 71 percent of the guidance systems were beyond their guaranteed service life while their combat readiness had not decreased.

He said that the rockets use volatile fuel that can explode if the canister is broken and fuel comes into contact with water. Enamel paint applied to the rockets in the 1970s and 1980s had blistered and peeled and that the thin walls of the missiles — two millimeters thick — were scraped repeatedly to remove the paint. "Can the guarantee period of this rocket be extended?" he asked.

"Let's say a rocket explodes in its storage site," Mr. Balashov said. "Near it are other rockets which will also explode. You can't hide the fact that nuclear warheads are also kept not so far away. We can end up with hundreds of Chernobyls."

# Russia Tightens Nuclear Sales

Export-Control Monitoring Units to Be Set Up in Companies

Reuters

MOSCOW — Russia will tighten export controls on missile and nuclear technologies by setting up specialist monitoring units in the companies concerned, a Kremlin spokeswoman said Thursday.

She was confirming comments made to the Itar-Tass press agency by President Boris Yeltsin's press secretary, Sergei Yastrzhembsky.

Mr. Yastrzhembsky was quoted as saying, "The proliferation of nuclear and other types of weapons of mass destruction, of technologies for producing them and the means of delivery, especially in countries adjacent and near to Russia, are considered a serious threat to Russia's security."

Mr. Yastrzhembsky said that, under the new order, special export control units would be set up in every company working in the missile or nuclear fields.

He added that the system would be part of a policy formulated within the framework of a concept document on national security approved by Mr. Yeltsin in December.

Russia has since introduced regulations on exports of civilian technology which could be put to military use.

Moscow has repeatedly denied recent allegations by Israel and the United States that Russian nuclear and missile technology is finding its way to Iran, where Russia is helping build a nuclear power station.

# French Conservatives Propose To Forge a Formal Alliance

PARIS — The leaders of France's two main opposition conservative parties proposed Thursday to seal a formal alliance to help overcome divisions on the traditional right, which has been in disarray since its parliamentary defeat a year ago.

In a joint announcement, Philippe Seguin, leader of the Gaullist Rally for the Republic, or RPR, and Francois Leontard of the center-right Union for French Democracy, or UDF, proposed "an Alliance with a capital A" to be operational starting next September.

The statement made clear that all political currents within the alliance would be allowed to organize and directly address voters. "The opposition needs both unity and diversity," it said.

It said members of the alliance would reject "any compromise with extremism," a reference to deals made recently by RPR and UDF dissidents with the far-right National Front in order to rule elected regional councils.

The alliance will have a rotating presidency and an assembly in which parties will be represented in proportion to their numbers. (Reuters)

# Russia Sets START-2 Hearings

MOSCOW — Parliament has agreed to hold closed-door hearings on the START-2 arms control treaty beginning June 9, but hard-line legislators made clear Thursday that they still have strong reservations about the agreement.

START-2, which would cut the Russian and American nuclear arsenals to 3,500 warheads on each side, was signed in 1993 and ratified by the U.S. Senate in 1996.

President Boris Yeltsin has been urging the State Duma, Parliament's lower house, to take quick action, but lawmakers have been resisting.

# Nuclear Waste Trains Cited

Duma members on Thursday voted, 130 to 114, against a proposal to create a commission that would finalize preparations for the treaty's ratification.

Lawmakers cited mostly procedural reasons, but the vote reflected the strong opposition among Communists and nationalists who dominate the Duma. (AP)

BONN — More than 3,000 times the permitted levels of radioactivity were found last year on rail shipments of nuclear waste from Germany to a French treatment center, the Environment Ministry said Thursday.

But the German ministry said the record levels found on the containers attached to the underside of the railcars posed no risk to the public because they were enclosed by a protective covering during transport.

The ministry said it was still awaiting the results of an investigation by the German nuclear safety authority and that shipments to La Hague in northwestern France were suspended pending its findings. (AFP)

# NATO Weighs Force for Albania

LONDON — NATO military planners are studying the possibility of deploying of a small force in Albania to help safeguard the border with the troubled Serbian province of Kosovo, a senior NATO official said Thursday.

It was the first indication that the 16-nation Western alliance, which has so far deflected Albanian government appeals for a protection force, was seriously contemplating a full-time peacekeeping presence.

The Yugoslav Army has fought several clashes in recent weeks with ethnic Albanian guerrillas of the Kosovo Liberation Army.

The official, who asked not to be identified, said a fact-finding mission from NATO's military headquarters had returned Wednesday from Albania. (Reuters)

# Synagogue Bombing in Moscow Condemned

Reuters

MOSCOW — The Israeli Embassy and Jewish religious leaders have denounced the bombing of a Moscow synagogue as a sign of rising anti-Semitism in Russia and urged the authorities Thursday to clamp down.

The explosion ripped through the Lubavitch Marina Roshcha synagogue in central Moscow late Wednesday. Nobody was seriously hurt in the blast.

"Israel condemns this act of sacrilege directed against the Jewish community," the country's embassy said in a statement.

Vladimir Gusinsky, a leading businessman and the head of the Russian Jewish Congress, took national leaders to task, saying that they were too complacent about the popularity of Nazi symbols and slogans among sections of the country's youth.

The U.S. Embassy also condemned the bombing of the synagogue. Uncovered by the bombers, hundreds of Moscow's Jews went ahead with a planned street parade to mark a religious holiday.

Rabbi Berel Lazar of the bombed synagogue said: "We're going to parade through the streets to show the pride of the Jewish people and that we are not afraid."

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INTERNATIONAL

# A Settlement Finds Itself at Center of Israel's Percentage Wars

By Serge Schmemmann  
New York Times Service

OTNIEL, West Bank — Perched on an isolated hilltop south of Hebron, 15 kilometers from any other Jewish settlement, Otniel has a direct stake in the percentage war being waged in distant Washington between Prime Minister Benjamin Netanyahu of Israel and the Clinton administration.

If no agreement is reached, the Palestinian hayfields and the roads around them will remain under full Israeli control and Otniel will have a chance to expand and fulfill its divine mission of settling the Promised Land.

Even in these isolated hills, Otniel has no fence or barbed wire around its 380 settlers, a testament to their conviction that all this is Jewish land.

That is why Otniel was founded to begin with in 1983, and why most of the 140 West Bank settlements were planned in lands occupied by Israel in the 1967 Arab-Israeli war: to create "facts on the ground" that would make it difficult for any future government to give the West Bank back to the Arabs.

The prime minister's current bind testifies to the effectiveness of that strategy. If Mr. Netanyahu does agree to withdraw, whether from 9, 11 or 13 percent of the West Bank, the areas around Otniel would most likely come under joint Israeli-Palestinian control.

And if a final agreement is reached, Otniel would become a Jewish island in a Palestinian state, anathema to the 161,000 settlers who view their presence in the



A Palestinian boy standing in a family field outside Otniel, a Jewish settlement surrounded by Arab farmland.

West Bank as a sacred stake in the biblical Land of Israel, and to many members of Mr. Netanyahu's governing coalition.

"Both options will be a real threat to our existence," said Uri Zilberman, head of the local council that administers the handful of scattered Jewish settlements south of Hebron.

"We will oppose any such decision," he said, "using any possible means. I do not believe that our prime minister, who

won the elections by saying that he was opposed to the Oslo agreements and by promising peace and security, could reach such a decision."

Up in Jerusalem, Moshe Raz, the chairman of Peace Now, spreads out his own maps, on which not only Otniel, but about two dozen of the West Bank settlements, are white dots in a Palestinian sea. The map is the political left's idea of how the "further redeployments" man-

dated by the 1993 and 1995 Oslo agreements between Israel and the Palestinians should end up.

"The conceptual difference is whether you see the settlements as the islands or the Palestinian areas as the islands," Mr. Raz said. "If you insist that all settlements and the roads to them remain under Israeli rule, there's no chance to achieve peace."

These, in a nutshell, are the forces

pulling Mr. Netanyahu in opposite directions at this fateful juncture. He has tried, apparently with some success, to portray the contest as one between him and a U.S. administration intent on imposing on him a decision inimical to Israeli security interests.

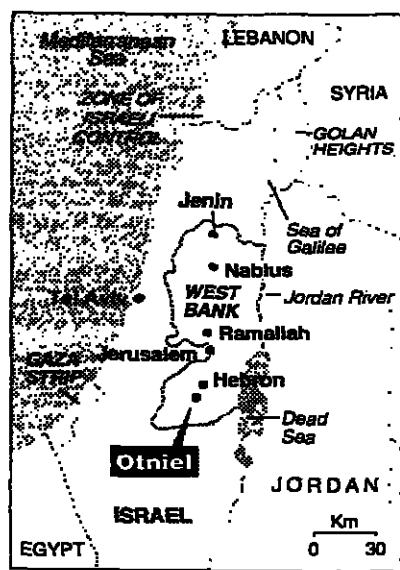
Secretary of State Madeleine Albright has countered that the United States is only trying to "issue a wake-up call" that the entire Middle East peace effort was at a crossroads.

Even if Mr. Netanyahu compels President Bill Clinton to back off this week, the problem will not go away. That was essentially the message issued by Ariel Sharon, the hawkish infrastructure minister, when he refused even to attend the Albright-Netanyahu meeting on the premise that Mr. Netanyahu had no authority from the cabinet to bargain on these matters.

Mr. Sharon is a pivotal figure in the debate, because it was he who drew the maps according to which any withdrawal over 6 percent was "painful," and any pullback beyond 9 percent "causes very, very great danger to Israel."

And it was he, as a key member of the last Likud government, who helped plant the settlements on strategic hilltops throughout the West Bank that now make the withdrawal so difficult.

Over the last months, Mr. Sharon has often taken reporters, visitors and legislators on his special tour of the West Bank, on which he argues that Jews must retain control of the Jordan Valley, the Judean desert, approaches to Ben-Gurion Airport, major aquifers, east-west



routes across the West Bank and safe access to each of the 126 settlements.

"With his approach, we really have to reconquer the whole West Bank," argued Mr. Raz at Peace Now. "If they're going to hit Ben-Gurion Airport, why can't they hit the Knesset now from Ramallah?"

One problem in following the debate is that Mr. Netanyahu has never even shown his own cabinet the maps of which it bases its arguments, and the U.S. government has never suggested which 13 percent to cede, accepting that this is something Israel must decide.

Earlier this month, David Makovsky of the newspaper Ha'aretz pieced together government statements for a detailed approximation of what Mr. Netanyahu's map probably looks like. He said the bulk of the transfer would be in the area of Jenin and Nablus in the north, and in the area around Otniel in the south.

In each zone, some of the land transferred from full Israeli control to joint Palestinian-Israeli control would encompass isolated settlements like Otniel. That, presumably, is why withdrawal even from 9 percent is deemed "painful" by Mr. Sharon.

"Netanyahu himself has said that every percentage is the size of Greater Tel Aviv," said David Bar-Ilan, Mr. Netanyahu's director of communications. "As long as the settlements are there, and in the interim they must stay, there is some danger in surrounding them with land controlled by the Palestinians. I don't have to tell you how much incitement there is against Israel and the settlements, and it would involve a tremendous amount of defense capacity just to defend them."

Mr. Bar-Ilan noted that there was a difference between taking such risks in an interim agreement and in a final peace treaty.

But with Mr. Netanyahu standing by his refusal to yield more than 9 percent, the specific issue of percentages has essentially transformed what was originally envisioned as a stage in a greater process into a pivotal question over the fate of the entire Oslo process.

"It's all politics," said Saeb Erekat, a senior Palestinian negotiator. "Netanyahu has a zero-sum mind. He has to show the Israelis that he can beat someone — Yasser Arafat, or some cabinet member, or the opposition — and now he has to run over President Clinton."

## ISRAEL: Soldiers Shoot Palestinians

Continued from Page 1

and pain in our modern history has come to a close," he declared. "The nakba has thrown us out of homes and dispersed us around the globe. Historians may search, but they will not find any nation subjugated to as much torture as ours."

### Arafat Faults Israeli Army

An Israeli Army spokesman said soldiers opened fire only when their lives were in danger, but Mr. Arafat accused the troops of killing innocent civilians, news agencies reported.

"Although the demonstrations were peaceful, the Israeli Army started shooting live bullets at our people," Mr. Arafat said at the start of a hastily called cabinet meeting.

As the street battles flared, Mr. Arafat urged his people to overcome their bitter history and forge an independent state with Jerusalem as its capital.

"We have a place under the sun," he proclaimed in a radio address broadcast across the West Bank and Gaza.

Mr. Netanyahu, meanwhile, who was in Washington for talks with Secretary of State Madeleine Albright, denounced the protests as "a pressure tactic."

"It's very simple and very easy to whip up a frenzy of hatred and to whip up violence," he said.

"It is important for the Palestinians to understand that we will not countenance

that," Mr. Netanyahu added. "This is not a pressure tactic that we can accept."

The protests on Thursday took place as the peace process is locked in its deepest stalemate since Mr. Netanyahu won office two years ago.

Mr. Netanyahu was to hold a second round of talks with Mrs. Albright on Thursday in an effort to clear the way for a summit with President Bill Clinton and Mr. Arafat. Chances of a breakthrough appeared slim.

While most of the marchers — 1 million by official Palestinian estimates — were peaceful on Thursday, thousands of young men broke away from the crowds and headed toward small Israeli Army outposts. In clash after clash, they hurled stones at Israeli soldiers who responded with tear gas, rubber bullets and in some cases with metal bullets.

The protests gave rise to confrontations between Israeli soldiers and Palestinian troops, who were supposed to be working together to keep order.

"Get back on your side of the road! It doesn't help when you come over here like this!" a Palestinian officer told an Israeli commander who strode over to complain the Palestinians were not keeping back the crowd.

General Galant, the Israeli commander in Gaza, accused Mr. Arafat's government of deliberately organizing demonstrations so large as to be uncontrollable. (Reuters, AP, AFP)



Israeli border policemen holding back Palestinian demonstrators during clashes in East Jerusalem on Thursday.

## PORTUGAL: With Expo '98, Entry Into the Euro and Giant Bridge, Signs of National Renewal Are Everywhere

Continued from Page 1

An extraordinary aspect of the change is the Portuguese willingness to acknowledge the incomplete and still painful zones of gray and black in the country's transformation.

In a series of conversations, not a single official ran from the responsibility of Portugal's exceptional levels of poverty, inadequate health care, poor education, substandard wages or spaghetti-like bureaucracy. Rather, a cabinet-level expert spent time, calculator and budget summary in hand, laying out for a visitor the percentages and millions of euros that the country was falling short in reaching what the government considers acceptable European performance levels.

What Portugal has done so well is leave the statist mentality created over most of this century by the quasi-fascism of the Salazar era and then the leftist excesses that followed the 1974 revolution. The achievement, according to the Organization for Economic Cooperation and Development, has been four years of "unusually balanced economic

expansion" and "steady improvement in economic fundamentals."

In 1998, this works out to a projected growth rate of 3.75 percent and unemployment of 6.8 percent, markedly better than the scores of Germany, France or Spain. Real wages have increased and, with them, disposable income.

Much of Portugal's movement forward has been based on low relative wage costs, privatization of horribly inefficient state-run companies and a general modernization of life. Workers here now earn about a third the pay of their counterparts in Britain or France, while their productivity is 73 percent of the European Union average. With the coming of the euro, though, exchange rate advantages will disappear and Portuguese workers will be able to directly compare their salaries — if they hadn't already — to those in Euroland's biggest countries.

They will be making other comparisons, too. The OECD says health care in Portugal is improved, but "inadequate in relative terms." This means that life expectancy for men between 40 and 65 is the worst among the EU countries and fairly close to the level of Mexico. A

Portuguese literacy study two years ago showed that 47 percent of the 15-to-64 age-group could barely read or do simple arithmetic. Overall, an EU study, made public last year but based on 1993 figures, put 26 percent of Portuguese households below the poverty line, the worst record in the community.

This year, according to figures from the Socialist-led government, spending on education and health will amount to 5.6 and 4.5 percent of gross domestic product, or below average levels in the EU. In order for Portugal to continue moving ahead, productivity must increase, and for it to do so, the level of education and technical competence has to rise as quickly as possible. It's here that all the satisfaction in seeing how far the country has come abuts the road ahead.

The nonbluster of the new Portuguese style makes things seem tough, but hardly impossible.

"I must confess," said Fernando Teixeira dos Santos, secretary of state for finance, "it's difficult to say how we'll conserve our advantages. We've got to deal with productivity and edu-

cation. Our comparative wage advantage will disappear, but I want to believe that we can be a very good service economy and emerge in the area of technology."

"We've got some natural advantages: A good, strategic location in relation to Africa and the Atlantic. We can exploit it. We are not doomed to be lost here again."

Joao Soares, the mayor of Lisbon, goes as far as saying that in spite of great progress he is not unwaveringly optimistic. Although education is the province of the central government, he is starting pre-school classes in Lisbon because he believes they cannot wait.

"And even then, not everything gets resolved by sheer will," he says. "When it's a matter of society and education, you have to think in terms of generations of effort."

Out at Expo, where the theme is the world's oceans and the star is a new and ambitious aquarium, the first thing they say is that putting it up cost about \$2 billion (this year's health budget comes to \$5.8 billion), 85 percent of it will be paid back to the state. The Expo site on

the Tagus will become middle-class and upper-middle-class housing and the city will add an aquarium, office buildings and its first big all-purpose indoor arena.

The special aspect of Expo '98 may be that it really has a point to make. Did Montreal's Expo talk to you? Did Seville's grab your ear? Tomas Pereira, a spokesman at the exposition, did not claim there was universal message in Lisbon either, but he felt that it had something to say about an old country working on a new routine.

"We are starting to stop seeing ourselves as the really backward guy in Europe," he said. "We're not at the bottom any more. There's a general feeling we're better off. The Portuguese is a disbeliever in himself. So we had to prove to ourselves we could do things and take challenges. This exposition is a sign of that. We don't see ourselves as a major player, but we're at the table and maybe we can provide the table where the players sit. At Expo, we're not looking back to our past so much. It's a very good experience. This Portugal had been absolutely incognito."

## CLINTON: Basking in Adulation in Berlin

Continued from Page 1

an unprecedented fifth term in office, Mr. Clinton's effusive tributes to Europe's longest-serving leader were lapped up by Mr. Kohl and his political strategists as the ringing vote of approval that they desperately desired.

During a foreign policy address at the Schauspielhaus, the famous opera house on the eastern side of the Berlin Wall, Mr. Clinton extolled Mr. Kohl's record for the past 16 years in terms that sounded either like an endorsement or a political eulogy.

Mr. Clinton praised Europe's transition toward a more united continent of free and prosperous democracies as "a magic moment" that was achieved "largely by the vision and determined leadership of Germany and its chancellor."

"Though many German citizens may be uncertain of the outcome and may not yet feel the benefits of your far-sighted and courageous course, you are clearly on the right side of history," he said. As the audience erupted in applause, Mr. Kohl buried his chin into his chest and seemed to fight back tears. Nearby, Mr. Schroeder's face seemed to harden into a frown as he clapped politely.

Some White House officials had urged more caution, but Mr. Clinton insisted on re-writing part of his speech early that morning to interject a more personal sense of his admiration for Mr. Kohl's achievements.

Mr. Schroeder, meanwhile, managed to snare his own prize: a congenial half-hour chat with Mr. Clinton about the U.S. economic miracle in creating millions of new jobs while maintaining low inflation. Mr. Schroeder was also eager to pick up pointers about how to shove traditionally leftist parties toward the center in order to capture a greater share of votes.

Like Mr. Clinton, Mr. Schroeder is accused by his critics of lacking an ideological soul and trying to offer all things to all people in his quest for votes. But his "New Middle" strategy, which has copied much of its blueprint from Mr. Clinton's past campaigns, appears to be working: his party is running more than 10 points ahead of Mr. Kohl's Christian Democrats in opinion polls.

Mr. Schroeder also claims some credit for pushing his potential governing partners, the Greens, into moderating their positions after he warned that such radical notions as tripling gasoline taxes and urging the abolition of the North Atlantic Treaty Organization would render the party "not fit to govern."

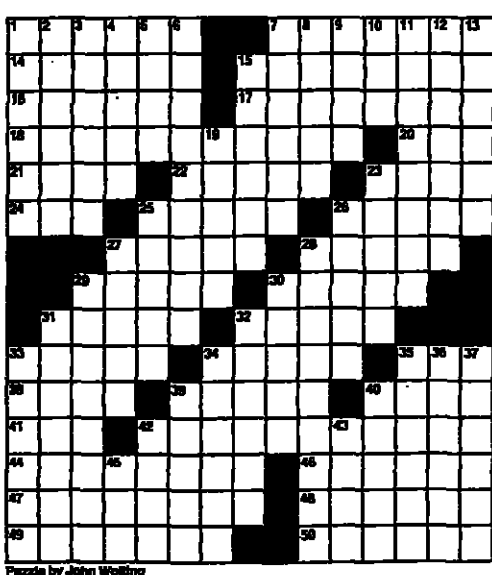
After recent state elections showed a steep loss in voter support, Green Party leaders voted Thursday to drop the controversial gasoline tax from their program. They also abandoned their demand that Germany leave NATO and said they would back continued deployment of German peacekeeping troops in Bosnia that they previously opposed.

## CROSSWORD

- ACROSS**
- 1 Village in Isaac Bashevis Singer stories
  - 7 Chickadees, e.g.
  - 14 Lens cover?
  - 15 Mexican dance music
  - 16 With enthusiasm
  - 17 "Green Eyes" singer Helen, in 40's music
  - 18 42-Across's claim to fame
  - 20 West's opposite
  - 21 Sterile
  - 22 Redolent rub-ons
  - 23 Wrapper weight
  - 24 Quasi-educational grp.
  - 25 Jazz pianist
  - 26 Colossus
  - 27 Natural lode
  - 28 Scare of confusion
  - 29 Country singer
  - 30 Plastic alternative
  - 31 Pouts
  - 32 Assault
  - 33 Heartbeats
  - 34 Deliver dinner
  - 35 Mom-and-pop org.?
  - 36 It's carried on the shoulders
  - 37 ———— at Magellan's (John 1001 encyclical)
  - 38 Astor's inventory
  - 41 Uncommunicative
  - 42 Forward-looking man?
  - 43 Brasserie order
  - 44 Picked locks?
  - 47 When repeated twice, Olive Oyl's measurements
  - 48 Cyclotron inventor
  - 49 Lawrence
  - 50 Certifies
  - 51 Savvy
  - 52 Staff
  - 53 Restaurant freebie
  - 54 ——— hydrate (judo/out drop)
  - 55 Actress Attire
  - 56 Churned about
  - 57 Dewdle
  - 58 Yak's home
  - 59 Pavin of the links
  - 60 Fall (off)
  - 61 Magnetic induction unit
  - 62 Payment standards
  - 63 Significant stone
  - 64 Die (out)
  - 65 Emancipate
  - 66 Wooden reinforcing strip
  - 67 City near Los Angeles
  - 68 Social strata
  - 69 Heart, essentially
  - 70 Like best friends
  - 71 Ledger column
  - 72 Bach composition
  - 73 "Sleeping Beauty" fairy
  - 74 Clearing catchers
  - 75 Brown building
  - 76 "Clockers" director

### DOWN

- 1 Ancient amulet
- 2 Lingers
- 3 Switch only
- 4 Grist for "Jeopardy!"
- 5 Broke off
- 6 Order
- 7 Port on Commencement Bay
- 8 Legholds?
- 9 Partry items



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## BRIEFLY

### Mexican Official Faces Hearings

MEXICO CITY — The Morelos state legislature has opened impeachment proceedings against the region's governor after he delayed taking a leave of absence.

Governor Jorge Carrillo Olea has been under pressure to step aside after top officials were linked to a wave of kidnappings and the governor was accused of ties to drug traffickers.

After Mr. Carrillo announced Tuesday that he was taking an indefinite leave of absence, legislators met Wednesday to decide on a temporary replacement for Mr. Carrillo, but were unable to agree.

On Wednesday night, the ruling party of which Mr. Carrillo is a member requested that he postpone his leave of absence, and he agreed, news media reported. But instead of electing a successor, the opposition lawmakers — who hold a majority in the state legislature — began impeachment proceedings against Mr. Carrillo. (AP)

### Rwanda Relents

KIGALI, Rwanda — The mission of the United Nations High Commissioner for Human Rights in Rwanda can stay, a spokesman for the president said Thursday.

President Pasteur Bizimungu officially suspended the mission Saturday for at least two weeks.

The president's order came shortly after a visit to Rwanda by the UN secretary-general, Kofi Annan. He was snubbed by officials in Kigali who accuse the United Nations of failing to act to prevent the 1994 genocide in which Hutu extremists killed at least half a million Tutsi and moderate Hutu. (AFP)

### For the Record

Eritrea denied Thursday that its forces had invaded Ethiopia and said instead that Ethiopian troops were responsible for a border skirmish in which it has soured relations. On Wednesday, Ethiopia accused Eritrea of invading its territory and warned that it would retaliate unless the troops withdrew. In a statement, Eritrea said that Ethiopian troops made an incursion May 6 along the southwestern border with Ethiopia. (Reuters)



## EDITORIALS/OPINION

# Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

## Up and Down in Asia

In the Philippines, the votes are being counted; the process could take two weeks, which may seem rather backward. But Filipinos proved themselves considerably more advanced than Americans in at least one respect when 80 percent turned out to vote in national elections on Monday.

Their enthusiasm proved once again that "Asian values" and authoritarianism are not synonymous, despite claims to the contrary by some authoritarian Asian rulers.

In Indonesia — another Southeast Asian archipelago, separated from the Philippines at the closest point by a rather narrow stretch of water — the battle for democracy meanwhile passed a tragic milestone. Thousands of university students for months have been staging peaceful protests calling on longtime dictator President Suharto to step down. On Tuesday the movement suffered its first fatal casualties when security forces fired into a student demonstration in Jakarta, killing at least six and wounding many more. [More deaths have followed, amid growing protest and rioting.]

It was the funeral for students killed in much the same way in 1966 that energized a protest movement and finally helped topple President Sukarno, setting the stage for then General Suharto to take over. Indonesia his-

torian Adam Schwarz has noted. These latest killings are similarly likely to inflame and energize the protest movement, and could hasten Mr. Suharto's departure from power after 32 years.

Ugly rioting has spread through Jakarta. More than ever, Western nations should urge restraint on Indonesia's military, so that a transition can take place without a bloodbath. The choice the army makes now will decide whether it is reviled or accepted by Indonesian society as a legitimate player in shaping the next government.

Anyone who watches the Philippines, or any other democracy, knows that elections do not solve all problems. The polling in the Philippines brought its own measure of violence, and the likely president-elect is a former movie star whose cavalier attitude toward economics does not inspire confidence.

Yet the Philippines has found considerable economic as well as political success since jettisoning, through "People Power," the stifling corruption of the Marcos dictatorship.

Suffering from similar pillage by Suharto relatives and friends today, Indonesia is unlikely to escape from its current economic crisis until it, too, moves toward giving its people a voice in their own governance.

—THE WASHINGTON POST.

## An Espionage Failure

To escape obsolescence when the Cold War ended, America's intelligence agencies said they would tackle threats like terrorism and the spread of nuclear weapons. Yet after spending billions of dollars on these efforts, the spy services inexplicably gave President Bill Clinton no warning that India was ready to test nuclear weapons this week.

That failure requires not only a searching inquiry into the mishandling of India's nuclear threat but also a broader examination of how effectively espionage agencies are tracking the development of nuclear technologies abroad.

This was not just an intelligence failure. The Clinton administration as a whole misread India's intentions.

Although the new Hindu nationalist government talked openly of its interest in nuclear weapons, the White House and the State Department did not confront the issue squarely or make clear that nuclear testing would be greeted with diplomatic and economic sanctions. That was a policy mistake that Mr. Clinton and Madeleine Albright need to investigate.

But lapses by the policymakers do not excuse the intelligence fizzle. Techniques for detecting nuclear test preparations have been available for years and were often used to spot Soviet and Chinese activities before underground explosions.

Satellites equipped with powerful

cameras can monitor work at test sites, which are usually located in unpopulated areas where the movement of equipment and installation of measuring devices can be closely tracked from space. Communications can be intercepted.

Either intelligence officials failed to concentrate enough resources on the Indian test site in the Rajasthan desert, or they paid insufficient attention to the information that was collected. All the Indian talk in recent weeks about nuclear weapons provided plenty of time to adjust satellite orbits and to initiate other efforts to learn about test preparations.

There certainly could not have been a shortage of money or technology. Congress has shoveled money at the Central Intelligence Agency and its fellow espionage organizations since the Soviet Union collapsed, expecting that they would give Washington an edge in fighting terrorism and limiting the development of nuclear weapons or other weapons of mass destruction.

An interlocking set of treaties to control nuclear arms depends in no small measure on the ability of American intelligence agencies to detect violations. That is why it is essential that President Clinton and Congress determine whether the failure in India was an isolated case or part of a wider breakdown in one of the most important arenas of American espionage.

—THE NEW YORK TIMES.

## Sensible Business

The debate about global warming has featured too much name-calling and too little attention to practical solutions. Many American corporations and their lobbyists have devoted more effort to belittling the science than to soberly preparing for the consequences. So it is encouraging to welcome a new player to the debate, the Pew Center on Global Climate Change.

Funded initially by a \$5 million grant from the Pew Charitable Trusts and headed by a former Clinton administration official, Eileen Claussen, the center intends to focus on research, public education and, most of all, figuring out what can and cannot be done about this very real problem.

What is most heartening about this effort is the list of major corporations that have signed on as advisers to the center. For many of them, it has taken some courage to step out from the crowd of stone-throwers and commit themselves to pragmatic consideration of climate change, and to how they may participate in — and perhaps profit from — solutions.

These companies are not contributing money to the center, it is important to note, and they are not mostly firms that obviously stand to gain if climate change is taken seriously.

On the contrary, they include mostly companies that will have to adapt and

change considerably — gas and oil firms Sunoco, British Petroleum and Enron; power generators American Electric Power Company, Intercontinental Energy Corporation and U.S. Generating Company; giant aerospace firms Boeing and Lockheed Martin; appliance makers Maytag and Whirlpool Corporation; the Toyota carmaker; United Technologies, which has aerospace, automotive and other interests; and the consumer and chemical giant 3M.

It is not that these companies, coming together as the Business Environmental Leadership Council, have endorsed anything you could call radical. But they "accept the views of most scientists that enough is known about the science and environmental impacts of climate change for us to take actions to address its consequences."

That sensible statement alone is enough to set them apart, and even no doubt subject them to some abuse from their competitors. (You will note that there is no American automaker on the list.)

In the long run, the willingness of these forward-looking companies to accept the inevitable and begin dealing with it will doubtless give them a competitive advantage. In the short run, they deserve some credit for forthrightness.

—THE WASHINGTON POST.

## Watch for the Fallout From India's Bad Example

By Flora Lewis

PARIS — India's nuclear tests, which released no radioactivity in the atmosphere so far as is yet known, will have fallout that no Geiger counter could measure.

One of the first effects will be on this weekend's Group of Seven-plus-Russia summit. The question of sanctions, already roiling European-American relations in other cases, will be a major issue. There is bound to be a collision.

The United States is obliged by a particularly explicit law to demand draconian sanctions. France is opposed, arguing that India has broken no international commitments because it never signed the relevant conventions. Russia is sure to take the same view.

The Indians have always argued that they have a right to go nuclear so long as the five avowed nuclear weapons powers do not renounce all their arms.

New Delhi even claims that its demonstrations will promote the campaign for global denuclearization by showing the five that the status quo is untenable. Anybody, or nobody, can be an atomic power, it says.

The argument is not taken seriously by others. India will not give up its new status regardless of sanctions, so the fate of the whole anti-proliferation campaign has been opened. India has obviously considered the likelihood

that Pakistan is eager and able to follow its example, and concluded that it is far enough ahead to win any arms race.

For years now, there has been general acceptance that there are five recognized nuclear powers, all of whom have at last signed the comprehensive test ban although it is not yet fully ratified, plus three unwavering powers that have not signed anything relevant — India, Pakistan and Israel.

India has come out of the closet, exposing what it has long insisted with some reason to be the hypocrisy of the nuclear club.

The breakdown of the assumption that this state of affairs could be maintained, by persuasion or if necessary by force as in the case of Iraq, confronts both the major powers and some nuclear aspirants with new decisions.

Until now, the nonproliferation campaign has been far more successful than was anticipated. When the treaty was being negotiated, more than 30 years ago, there was a list of 20 to 25 countries judged able to go nuclear. Since then the knowledge of how to make at least a crude device has spread widely. South Africa, Brazil and Argentina, which had nuclear weapons develop-

ment programs, changed their minds. Countries like Sweden and Japan became fervently anti-nuclear.

But if India gets away with it, and it almost surely will, others may decide that the risk is not so great.

New Delhi's announcement that the series of tests is completed offers no reassurance. It is not clear whether this means no more until the next series, or no more tests at all. And even if there are no more, it suggests that India has advanced much further in computer simulation for weapons design than had been supposed.

The fact that no foreign intelligence detected preparations for the tests is also a major blow to assumptions about nonproliferation. The United States and Russia have negotiated major cuts in their nuclear arsenals, still to be implemented, and agreed that they should go much further, but now there will be increased resistance in both countries.

What is to be done? The argument over sanctions complicates the problem. The Europeans are aware of the discord between the U.S. administration and the congressional majority on unilateral U.S. sanctions, but they consider that it is President Bill Clinton's problem, not theirs. The tough fight now going on between the United States and the European Union about

sanctions on Cuba, Iran and Libya will be carried into the coming summit.

The State Department launched a review of American sanctions policy several months ago. It found an enormous list of some 125 cases currently on the books, for a wide, almost incoherent variety of reasons ranging through trade quarrels, human rights violations, abortion, threats to peace, drug traffic, and danger of proliferation of weapons of mass destruction.

It makes no sense, and the department would like to have a new policy with clear guidelines on aims and duration. But Congress tends to respond to special interest groups not concerned with America's overall foreign policy.

In any case, sanctions do not work as intended unless they are concerted with all the important players, and each failed effort intensifies arguments against the next one. In order to have a chance of support for some serious pressure on India to back away from its nuclear weapons program, the United States needs itself to back away from unilateral sanctions.

Meanwhile, India's bomb is already tearing at the difficult texture of international relations. The Indian government has won applause from its own public, but it has gained nothing else.

Flora Lewis.

## It Takes More Than Sanctions to Salvage Nonproliferation

By Munir Ahmad Khan

CANNES — India's nuclear tests shocked the world. There had been hope, for the world's and India's own sake, that it would not commit such a suicidal act.

The shaky coalition in New Delhi took this leap to try to bolster its prestige at home and win recognition abroad. It is an act of desperation full of unpredictable dangers.

The world has been trying to get rid of nuclear weapons. These tests are an affront to world public opinion.

The ruling nationalist party designated China as No. 1 enemy at a time when relations between the two countries seemed to be improving. This will have a devastating effect on Chinese-Indian relations.

The repercussions of this folly will be grave for India itself. It has embarked upon an

open and costly nuclear arms race with China. This will preempt its limited resources, diverting them away from much needed economic and social developments, on which India's survival depends. It has learned little from the breakup of the ex-Soviet Union.

India, with a population of nearly a billion people living on \$1 a day, has the burden of feeding half of the world's poorest persons living below the poverty line. For them, hope of a better life will soon fade.

This has rightly enraged the international community. If India thinks this nuclear exploit will bring it instant recognition as a nuclear-weapon state, it is sadly mistaken, as that could lead to the emergence of several new nuclear claimants.

It will also not bring India any closer to becoming a member of the UN Security Council or to attracting needed foreign investments for its economic development.

Above all, it will not enhance India's security vis-à-vis neighbors, who will step up their nuclear development.

Pakistan will perceive this as a direct threat to its national security, as these tests have been conducted just 80 kilometers from its border to convey a certain message. Pakistan will be forced to consider an appropriate response to this latest provocation.

The immediate casualty will be dialogue between the two countries to resolve their disputes, and hope for peace in the troubled subcontinent.

Another victim will be nuclear energy itself. The 1974 test by India led to a fundamental change in global perception about linkage between peaceful and nonpeaceful nuclear programs. Worldwide cooperation in nuclear power and sharing of nuclear technology will be adversely affected, creating further problems for energy-poor developing countries, including India, which need nuclear power to meet their power needs.

Worst hit will be the fragile nonproliferation regime, painstakingly put together in years of negotiations. The cause of achieving a nuclear-weapon-free world has no doubt suffered a serious setback. Negotiations for nuclear disarmament will become more complicated.

The U.S. administration may face serious difficulties in

persuading Congress to ratify the Comprehensive Test Ban Treaty. Some may point to a new potential threat to U.S. security from emerging nuclear-weapon states.

The world cannot sit back and let a deadly nuclear race rage in the subcontinent that will further destabilize that troubled region and could spread to other areas.

Much will depend on how the Group of Seven countries react to this defiance of the nonproliferation regime. Sanctions are not enough; there has to be a more resolute response. Otherwise, more nuclear aspirants will jump into the arena.

The writer, a former chairman of the Pakistani atomic energy commission, contributed this comment to the *International Herald Tribune*.

## Birmingham Summit: Relief for the Poorest Countries

By Gordon Brown and Dominique Strauss-Kahn

PARIS — The summit conference of the Group of Seven plus Russia provides an opportunity this weekend to reaffirm collective willingness to make development of the poorest countries a priority.

The lesson of recent years is that policies for debt relief, poverty reduction and sustainable development must go hand in hand if world poverty is to be properly addressed.

In the poorest countries, which do not benefit from capital flows, our answer is aid for trade — helping to attract private sector investment.

On Saturday the summit will pay special attention to Africa. The heads of state or government will have before them new proposals to make progress on debt relief by the millennium.

These build on an initiative for highly indebted poor countries (HIPC), with the emphasis

on sustainable development, agreed upon in Lyon in 1996.

First, world leaders will encourage and help all highly indebted poor countries to become part of the reduction process by 2000.

Second, world leaders will agree on the need to pay special attention to the immediate problems of post-conflict countries.

Third, each country will now consider targeting export credits for the poorest countries only on productive expenditure.

And fourth, building on the Lyon summit, country by country, action will be taken to reduce bilateral debts.

Since the launch of the HIPC debt relief initiative, 10 countries have seen their debt situation scrutinized. For eight of them, this analysis has shown their debt to be unsustainable.

For six, firm commitments in terms of debt relief have already been pledged: Bolivia, Burkina Faso, Ivory Coast, Guyana, Uganda and Mozambique.

Through these commitments, debt relief amounting to nearly \$3 billion will be granted to those countries.

Against the global uniform approach often chosen in the past, the HIPC initiative favors a case-by-case approach that allows us to take into account economic and financial realities peculiar to each country.

Far from seeking a mechanical approach to eligibility, we have developed a body of criteria to be applied flexibly.

In full, the HIPC initiative should represent additional relief of \$7 billion from bilateral and multilateral creditors.

This demonstrates that the

HIPC initiative framework can meet the need for a case-by-case treatment of the situations that the poorest countries are faced with today.

The willingness exists to seek permanent solutions to the debt problems of the poorest countries. The effort must proceed so that the HIPC initiative can benefit all the poorest countries that have carried out the necessary economic reforms.

To achieve this, it is necessary to create momentum. We have set down challenging ambitions. Our aim is that all eligible countries will have embarked by the millennium on the process of securing debt relief by agreeing on programs with the World Bank and the IMF.

We should also ensure that no country will be abandoned at the roadside. This risk affects in particular those countries emerging from conflict that cannot yet demonstrate a track record of adjustment policies.

Are they to be excluded from any exceptional relief simply because they have not been able to conclude an economic program with the IMF before the year 2000? Their economic and social needs cry out for early action.

We see an urgent need to explore what special treatment might be appropriate for the needs of post-conflict countries. Bilateral donors and multilateral institutions should consider the needs for debt and development assistance in this area.

Our commitment to the HIPC initiative should not mean that we confine our action to the countries that are or will be eli-

gible. All other countries which are committing themselves courageously to the needed adjustment efforts deserve reinforced support from the international financial community.

For the middle-income countries, France and Britain have already pledged to forgive the vast majority of our bilateral debt related to development assistance. We should now focus on measures to foster their access to private capital flows.

This could lead us to strengthen debt swap operations, which have already shown their positive impact on private investment. We could also consider ways to ease the access to international capital markets for an increased number of developing countries.

The priority we attach today to a permanent solution for debt issues, especially through the HIPC initiative, is clearly in keeping with our lasting commitment to development.

The writers, respectively, are British chancellor of the Exchequer and French minister for economy, finance and industry. They contributed this comment to the *International Herald Tribune*.

## Peace Awaits Beyond Rancor

By Akiya Eldar

JERUSALEM — Israel's jubilee has provided both Jews and Arabs, Zionists and non-Zionists, an opportunity to portray reality using pink or black. For instance, Mohammed Tarbush (*IHT Opinion*, April 27), selected a very romantic description of the occupied West Bank.

The description is from 1858, the impressions of Arthur Stanley, canon of Canterbury, who was struck by the lush scenery he found on the hills of Bethlehem.

Another traveler, Mark Twain, described his visit to the Holy Land differently 11 years later.

"The hills are barren, they are dull of color, they are unpicturesque in shape. The valleys are unlovely deserts fringed with a feeble vegetation that has an expression about it of being sorrowful and despondent."

Twain concludes that it is "a hopeless, dreary, heart-broken land."

Mr. Tarbush's travelogue is meant to dismiss the old Zionist claim that before the Jewish immigration Palestine was a strip of desert. This leads him to the observation that since Israel occupied those territories, including East Jerusalem, it has been tearing apart the harmony of the landscape of the Holy Land.

These descriptions add some extra flavor to the smell of gunpowder in the writer's suggestion to destroy every

single house that Israelis have planted in the West Bank, which is his essential prescription for building peace between Israel and Palestine.

I have met Mr. Tarbush and enjoyed the opportunity to share with him my views on the negative role that the Netanyahu government is playing in the so-called peace process.

Like many other Israelis, I believe that most of the settlements were built to obstruct any option of territorial compromise between Israel and a future Palestinian state.

However, there is a vast difference between his rosy picture of the past and reality, as well as a huge gap between his somber solution of a bitter conflict and any constructive political settlement.

Both Palestinians and Israelis have no reason to look back with nostalgia.

In 1947, the Palestinian leadership rejected the United Nations' partition plan and thus missed the opportunity to establish their own state in the hills of Bethlehem and other parts of the Holy Land. Until June 1967, the Palestinians were second-class citizens of the Hashemite Kingdom, and were not allowed even to dream loudly of an independent state. In 1978, the PLO missed another chance, offered to them in Camp David's autonomy plan, with a

framework and timetable for final-status negotiations.

The Israelis would like to forget the 30 years of occupation, especially the six years of uprising preceding the signing of the Oslo agreement.

Lingering in the rancors of the past can take away from the Palestinians their hope for freedom, dignity and a better future for their children.

Yasser Arafat recently told members of the Council of Foreign Relations, in New York, that a territorial compromise plan drafted two years ago by his deputy, Abu Mazen, and a Labor minister, Yossi Beilin, remained acceptable. This plan is very far from Mr. Tarbush's idea of razing the settlements.

Not only does the plan suggest allowing every Jewish settler in the West Bank to keep his house and trees, it presents practical solutions to the tough question of Jerusalem.

Fortunately, the current leadership of the PLO in the territories, as well as many young Israeli leaders, show more responsibility and realism than passing travelers.

It is tragic that the Israeli government and national fanatics on both sides are still busy distorting the past and designing imaginary futures.

The writer, a columnist for the Israeli daily *Ha'aretz*, contributed this comment to the *International Herald Tribune*.

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1898: Failed Coup

PARIS — [The Herald says in an Editorial:] The riots in Milan were more serious than generally thought. The coup attempted by the Socialists and Populists only failed by accident. In spite of this, it took four days' fighting to subdue the insurgents. For the moment, Italy is again tranquilized. But a grave problem faces the Government: How to make the peace a permanent one. It is, indeed, time to quote Catherine de' Medici's pregnant remark: "The cloth has been well cut but how are we going to sew it together again?"

### 1923: 'Useless' League

CONCORD — Senator George H. Moses, of New Hampshire, in an interview given to-day [May 14], fired a vitriolic broadside at the League of Nations, which he described as useless except to keep alive the

belief that the United States will some time come to Europe and give away billions of dollars, and except to provide desirable places for younger sons of British aristocrats. "The secretariat of the League has become a small nation in itself, and only small nations are benefited by the League," said the Senator.

### 1948: A Jewish State

TEL AVIV — Prime Minister David Ben Gurion formally proclaimed establishment of the first Jewish state in 2,000 years today [May 14] to a solemn audience in the Tel Aviv Museum. This proclamation came as Jewish reports told of fierce warfare throughout the Holy Land in which hundreds of Jewish warriors have fallen. When Mr. Ben Gurion reached the passage declaring the new state, a score of older Jewish leaders, including many at the first Zionist conference in 1897, burst into tears.

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International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.  
Tel: (1) 41 43 93 00. Fax: Subscriptions: (1) 41 43 92 10. Advertising: (1) 41 43 92 12. News: (1) 41 43 93 33.  
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U.K. Advertising Office: 63 Long Acre, London WC2E 9LT, U.K. Tel: (171) 836-4802 Fax: (171) 240-2254  
S.A.S. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 01337  
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OPINION/LETTERS

The Left's Prudence, Principles and the Third Way

By Tony Blair

LONDON — One of the things we can do in an international forum like G-7 and Russia is underline the degree to which global markets cannot work properly, and certainly cannot work with stability, unless there are clear accounting standards and measures of transparency that countries are prepared to adopt.

Some of the criticism of the International Monetary Fund has been misdirected. On the whole, the IMF has done exactly what it should do in such a situation and has put a package together to get the Asian countries over their difficulties while, at the same time, making clear that package is not a long-term solution to their problems.

Our role as political leaders is to say that, whatever the package for individual countries, there have to be changes in the international financial system to make it more open and therefore more credible.

I believe that the modern European social democratic parties and parties of the left have a lot in common with the Democrats in the United States.

That is not to say we do not come from different political cultures and that there are not different policies, but we are all tackling the same problems of economic and social change, of globalization, of family disintegration, of community breakdown and of social exclusion. And many of the solutions that will be adopted will be similar. I am

not suggesting that we get rid of the Socialist International or any of the rest of it, but I do believe it is time for a dialogue of ideas with the American Democrats, with other people, for example, like President Fernando Henrique Cardoso in Brazil, with the Olive Tree alliance in Italy.

The world is moving closer together politically. If you sit down with the Chinese prime minister and start to look at the problems of their public sector, some of the ideas and principles of what must be done are basically the same.

In China or Britain or the United States, we are all trying to provide an efficient set of public services without spending large sums of money on things we do not need.

Some of these questions of governance today are the same the world over, and it is just plain foolish not to recognize that the American Democrats have got a contribution to make in that arena without in any sense undermining the institutions that have grown up in Europe and elsewhere.

Take financial prudence and respectability. Not exclusively, but to a significant degree, it is the parties of the center-left that are implementing prudent policies today — the Democrats in the United States, the British Labour Party, the Olive Tree alliance in Italy.

The same is true of the left in Portugal and in Holland. In France there is a very strong monetary policy. Around the

world, financial prudence is now something that the left is very strongly associated with.

It is also now accepted everywhere on the left that technology, education and skills are the basis of modern employability. On crime, a common theme is that you have to have a strong criminal justice system but also tackle the causes of social exclusion.

The notion that you need to reform the welfare provision that grew up after the Second World War is, again, a common theme.

The notion that you have to be internationally engaged rather than isolationist is also accepted by the left.

What I think is sensible for us, therefore, is to throw the solution to these problems open to debate and say, "Let's talk about it, let's discuss it and learn from one another."

There is not only a new way between the politics of the new right (laissez-faire, leave everything to markets, social indifference) and the politics of the old left (state control, run everything through the center), but there is also a way forward between the old principled left and the pragmatic left that sought change gradually.

The idea of the "third way" is an attempt to say there is a principled position that is also entirely sensible. You can take the values of the left — social justice,

solidarity, community, democracy, liberty — and recast them for the new world.

I think you can see very clearly the outlines of the third way in each of the various areas of policy. On the economy, for example, it means embracing globalization as inevitable and also as desirable in terms of greater trade and international exchange.

It means the role of government is not to pile up big budget deficits and hope for the best, but to run a prudent financial policy and combine that with government intervention to equip people and business to survive and compete in this new global market.

The third way is not about resisting change or simply leaving it to laissez-faire, but saying to people that we will equip you for the change.

If you try to shelter companies from the global market, then all that will happen is that they may survive for a few years, but then they will go under. What you can do is to equip them and the individuals working for them better to survive the rigors of that global market. That, to me, is the third way.

The British public is not going to finance a welfare system that does not encourage people to get off benefits and into work. They are not going to finance a system in which billions are eaten up in fraud. So either we reform it, or people will dismantle it. The third way is for reform, not for status quo or dismantling. That is the intelligent choice. And that is what the Democrats have been aiming for in the United States. It is what the Dutch government has done. The Italian government is now putting through welfare reform. Lionel Jospin, the French prime minister, said the other day that young people must get off benefits and into work. Everyone's grappling with this.

My constant worry is that the forces of isolationism will gain the upper hand either in Europe or in the United States. It would be disastrous for both continents if that happened. There is no future in isolationism in this world. We have to be internationally engaged.

The United States has a very, very serious role to play, and part of Britain's role and function is to be a bridge between the United States and Europe, to say to Europe, "Recognize the value of American leadership in the world," and to say to the United States: "Believe me, people do value your leadership. Don't think that some of the carping and criticism that you get reflects the view that people don't want America engaged, because it's not true."

This comment is adapted from an interview conducted by Martin Kettle of The Guardian for Global Viewpoint (Los Angeles Times Syndicate).

After a Mother Gives All, One Thing Is Left to Give

By Dudley Clendinen

NEW YORK — "How come you know so much about me?" Mother said. Under the hospital light, her large gray-blue eyes looked thoughtful and a little amused, as if she knew the answer and were testing me to see if I did. "I just find you fascinating," I told her. "I've been studying you all my life."

She smiled at that and we sat quietly for a moment, holding hands, continuing to examine each other's eyes. She was trying to decipher who I was, I to measure how much of her was there. There had always been so much before. She had structured and textured the whole world I first knew. Life in Tampa, Florida, was a South-

and my father ended up. It took us 10 years to talk her into leaving it after he died. She moved into a building called Canterbury, apartments on one side, nursing home on the other. It was full of old friends, getting vague and crooked, leaning on each other, having cocktails and dying off. The only stipulation, they all told us children, was that they never wanted to go into the nursing home.

With Mother, it was part of a larger certainty: that life was either worth living or not. She and her living will were both very clear. If she had a stroke, she didn't want to wake up. If she were mentally damaged, she wanted food and water withdrawn. Her wish. Our responsibility.

On the Wednesday before Easter, dressing for dinner with friends, she suffered a massive bleed in the back of her brain. When I reached her bed 30 hours later and looked into her eyes, they had that same wild, dark look my father's had after his stroke. "Oh God," I thought. "She's gone."

Two days later, as we discussed funeral arrangements, Mother woke from her coma and started speaking. "This is really awful unattractive," she said, looking around the hospital room. "I'd like that picture down." We took it down. She studied everything intently, as if she had just arrived on the planet, or was just about to depart.

For six days she bloomed. Then she faded. Then she brightened again. For the first time in her life, she seemed to want simply to rest. "We don't know what to pray for," said her friends, confused.

Then she had another stroke. It didn't take her life, but it took her ability to walk, to talk, to feed herself. "I don't think I'm going to get well," she said, looking gravely at me one night before the second stroke. It wasn't a complaint. It was more as if she were preparing us. She is in the nursing center now, where she never wanted to be, eating pureed beans and carrots and chicken mush as if it were what she wished. She does not seem depressed. She sleeps a lot.

It is hard to know what we should do for her, but it is clear what she is doing for us. The look in her eyes, when she opens them, is tender and final. It is the last thing a mother has to give. It is love.

The New York Times

Swoosh! Public Shaming Nets Results

By E.J. Dionne Jr.

WASHINGTON — Consumers and workers of the world unite — just do it! If you do, you can affect the behavior of manufacturing giants such as Nike, for whom image is everything.

Nike Inc.'s announcement this week that it would raise the minimum age for its workers and impose American air quality standards on its plants overseas marks a breakthrough for American and international human rights campaigners who have argued that basic liberties should not stop at the factory door. It turns out that public shaming and consumer pressure can have a mighty impact on mighty manufacturers.

Philip H. Knight, Nike's chairman and chief executive, was remarkably candid during a speech this week at the National Press Club in acknowledging how much damage the critics had done to his company's image.

"It has been said that Nike has single-handedly lowered the human rights standards for the sole purpose of maximizing profits," he said. "The Nike product has become synonymous with slave wages, forced overtime and arbitrary abuse. I truly believe that the American consumer does not want to buy products made in abusive conditions." Go for it, Phil.

The new commitments, Mr. Knight said — speaking at a moment when his company is flooding the airwaves with advertising around the National Basketball Association playoffs — reflect "who we are as a company."

There remains the small problem of living wages. "Sweatshops are known to the U.S. public as places where people work in miserable conditions for miserable wages," Medea Benjamin, director of Global Exchange, said in an interview. "Nike is addressing the miserable conditions, but a sweatshop is a sweatshop unless you address miserable wages."

But Ms. Benjamin, whose San Francisco-based group has helped put labor rights on the human rights agenda, said the Nike moves were nonetheless significant. It is important, she said, that the company is accepting the principle that outside monitors should oversee its labor practices, and that it is agreeing to abide overseas by the environmental



By Carroll A. Tamm, syndicate

and safety standards set in American law. "If you can get Nike with enough pressure, you can get the whole industry," she said.

The Nike moves are a small step on a very long journey whose aim is to civilize the global economy. Around the world, unions and human rights groups have argued that a global trading system should be subject to labor and environmental rules, much as domestic economies are. Investors who favor global agreements to protect their financial assets ought to see the logic of similar rules to protect human assets — the people who work in the plants.

But enforceable global labor standards will not come easily. In the meantime, there is something called the marketplace, and it gives consumers the right to make judgments. Yes, about the quality of the products they buy, but also about the behavior of the companies that make them. It might surprise Karl Marx that consumer decisions based on a company's human rights record can affect sales and, in turn, Wall Street's judgments.

A stain on one of the sterling brands of the century is reflecting itself in its stock price," says Ronald Blackwell, director of corporate affairs for the AFL-CIO, referring to Nike.

The company had a 27 percent drop in earnings in the first three quarters of

the current fiscal year, though Mr. Knight attributed this to the Asian financial crisis.

Mr. Blackwell argues that the next step is to recognize that ending the most egregious abuses in foreign factories is not enough.

Reforms will endure, he said, only if workers have the right to speak up on their own behalf without fear of reprisal, physical violence or jail terms. He notes that Nike has factories in Vietnam, China and Indonesia, "three of the most difficult countries in the world for ensuring workers' rights."

Echoing the Polish union leaders who helped bring down communism, Mr. Blackwell said "totalitarian governments" that block "freedom of association and freedom of expression" for workers can render even the nicest-sounding corporate codes of conduct unenforceable.

Perhaps the corporate executives could have a word or two with the leaders of the police states where they locate their factories and gently suggest that human rights violations are becoming bad for business. And perhaps those who are rightly bawling for religious liberty in such nations can link arms with those who want freedom of writ to run to those who make our Air Jordans.

Washington Post Writers Group

LETTERS TO THE EDITOR

Racism: An Undeniable Fact

Regarding "It's Time for Americans to Stop Crying Racism," by Laurence Cohen (Opinion, April 28):

It is certainly true that one physical encounter between police and a person of color does not make racism. But what is undoubtedly racism is the fact that such instances involve black individuals far more often than their numbers or behavior would warrant.

It is also true that urban flight need not be racist and that people of all colors are attempting it. What is undeniably racist is that the suburbs to which people flee are still segregated. A black cannot live or buy a house in a white community even if he or she is a successful middle-class professional as innocent of urban problems as the whites.

It is true that nobody much likes quotas for college admission or hiring. But they are needed because even qualified black individuals too often cannot be hired or admitted. Sometimes this represents sheer racism; other times,

even well meaning white employers are unable to separate differences in style from differences in ability and are unable to see quality or potential when it comes in minority (or female) form.

In colleges there have long been "set asides" or quotas for athletes, legacies (children of alumni), and the wealthy. Even people from different areas of the country are routinely granted preferential admission because they add richness and variety to a campus. No one challenged such preferential admissions until they were applied to minorities. That is racism.

At a much subtler level, the failure of white society to see the arbitrary nature of its admissions tests and the fact that the tests themselves discriminate against minorities, or to recognize the impact of poor schooling on performance, is also a form of racism that needs to be addressed.

It is racism, too, if once established at a corporation minority group members are still denied advancement (with obvious glee), as has been amply documented at Texaco.

MARK NATHAN COHEN, Plattsburgh, New York

Correction

The word "never" was dropped from a passage in "Free Markets Easily Spin Out of Control" (Opinion, May 13, by Angus Sibley). The passage should read: "One is reminded of the series-wound direct current electric motor that drives streetcars and subway trains. Such a motor, when in the workshop for maintenance, must never be allowed to run free on full power. For without the restraining inertia of the train, it will spin faster and faster till its center flies apart."

The writer is a professor of anthropology at the State University of New York and the author of "Culture of Intolerance."

Japan's Way? Or America's?

Regarding "Japan's Virtues" by Rainer Esslen (Letters, May 7):

It has become fashionable to criticize Japanese business practices in the light of the current financial crisis. The standard advice of the American business pundits (and some Japanese) is that Japan should inject a massive dose of tax cuts and deregulation.

Not Seeing Eye to Eye

It might be a matter of semantics, but shouldn't Dr. Christopher Tyler's art theory ("Portrait: An Eye on the Center," May 11) be aimed at the vertical center of a portrait? Look at the pictures: Most of the eyes in question (e.g., Washington's, Picasso's) are way above the horizontal diameter, but always right on the central perpendicular. If so, the theory as such falls to pieces: Our brain is parted vertically, as are the pictures shown in your article.

HERMAN MOCK, Amsterdam



Photo taken at the Royal Windsor, Brussels.

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LEISURE

# Through Vietnam's Halong Bay, and Its Isles Rich in Legend

By Milly Boren

**B**AI CHAY, Vietnam — Our kayaks slice through the deep emerald seas of Halong Bay off Vietnam under a full moon, with only the soft sound of our paddles dipping and sweeping the water.

As if to pay homage to this glorious night, a white ring has lassoed the moon and glows like a halo, bleaching the sky and stripping it of stars. All around us hundreds of monolithic limestone islets pierce the water's surface like the rugged spines of this country's mythical dragons. Moonlight crawls into the valleys and grottoes of this exotic floating mountain range, casting shadows and shapes that are hauntingly beautiful, gloriously majestic, but stone silent.

Ancient myth says that Halong Bay was created when the Dragon Mother and her children descended from heaven to protect Vietnam from invaders. The heavenly dragons thrashed their tails, creating the bay, then spewed forth gems, from which the verdant islands before us sprang up. Local people tell us that dragons, entranced by these islands, still dwell under the water.

Tonight, under this moon, I'm buying into the myth.

Because of its 1,600 jeweled islets spread across the South China Sea's Gulf of Tonkin, Halong Bay was designated a Unesco World Heritage Site in 1994. Many claim it is the most beautiful area in all of Vietnam.

As I kayak past the islets and through their dark caves and winding tunnels carved by eons of erosion, I understand

the claim. Stalactites hang like chandeliers from the vaulted rock ceilings, some delicate, some squat, some prickly of texture. Oxidation, algae and lichen have painted patches of the limestone roofs turquoise and rust red, like frescoes in a Renaissance cathedral. The sea has cut arches into the base of many islets, hacking out channels where waves surge and dragons hiss.

But the French saw more than dragons when they named the uniquely shaped islands that we will paddle by in the days to come. There's Le Plumet (the plume), Le Marron (the chestnut), L'Encrier (the inkwell), Le Pain de Sucre (the sugar loaf), La Lionne (the lioness), Le Lapin (the rabbit), even La Meduse (Medusa), a labyrinth of bays and peaks. So numerous are the islets that many are unnamed.

Halong Bay hems in land areas of vast coal reserves that enticed the French in the late 1800s. While French colonization in Vietnam began in the 1860s, the French did not totally dominate the country until 1884, ruling for about 70 years.

Today Halong Bay represents the new as well as the old Vietnam. At the bustling seaport town of Bai Chay, about 100 miles east of Hanoi, a visitor can stay at the exclusive Plaza Hotel but walk among some of the world's poorest people. Budding new capitalist ventures rub shoulders with age-old traditions. Grandsons who are busy building a new Vietnam live with seniors who have survived the ravages of continuous war. Creating a future is a daunting task for the young, given that the annual per capita income in Vietnam is around \$200.

A mini-bus, hired by Mountain Travel Sobek, an adventure travel company based in California, takes us from Hanoi to Bai Chay, where we will begin an eight-day kayaking trip. In Bai Chay, the harbor is dotted with traditional round woven basket-boats and weathered fishing vessels that have been used for decades. Shiny new motorbikes vie for road space with rusty bicycles, skinny dogs or laden street peddlers.

## BOARDING THE HUONG LONG

As our group of 10 American, British and Canadian adventurers boards the Huong Long (King Dragon), the red, white and blue support boat that resembles a Mississippi River sternwheeler, we are introduced to our guides and crew of seven. Through our guides, Dag Goering and Maria Coffey, we gain generous insight into Vietnamese culture; they have toured extensively, and Maria has written a book, "Three Moons in Vietnam," about this country they so love. Through our tightly knit, hard-working crew, however, we learn about the Vietnamese people themselves.

Nguyen, Bay, Vinh and Vu Quang Huy, as well as our local guide, Huy, are capable young men in their twenties. Their infectious good humor and kindness will serve us well in the days ahead. Lien, our gifted cook, smiles, laughs and hugs with abandon. Captain Chien, in his forties, served with the Vietnamese Army in Cambodia.

"The American War" is not a topic much discussed. Perhaps the Vietnamese are too polite. When pressed, the most common response is that people want to

move forward by building a better society now that they are finally at peace.

With kayaks loaded and goods stored, we fire up the engines and leave Bai Chay harbor. Pastel stucco houses line the waterfront, summoning images of the Amalfi coast of Italy. Families in tiny basket boats wave and smile, their laundry flapping above like flags aloft.

An hour after leaving port, a welcome silence descends — no city commotion, no crowds, no wind, no sound but that of the purring engine. The striking green mounds rise from the sea, many shaded in distant mists. We motor to a placid bay and set anchor. On the shore, a small altar to the gods of the sea stands at the base of a verdant cliff.

Most of the islands are covered with a variety of wild plants. Clumps of thin bamboo and spindly marginalia palms grow through cracks in the rock. A sage palm sprouts horizontally from the cliff. Circling high above, Vietnamese *qui* (swallows) catch the updrafts and ride the wind, and passing sea eagles break the silence with their barking calls.

**MONKEY SEE** Desperate for total immersion, I dive into the water and swim to the beach. Joss sticks and fresh fruit have been laid at the stone altar by fishermen. On this crescent sandbar, I see the fine-boned handprints of two wild monkeys.

Each morning we set out in our fiberglass kayaks, two to a boat, to explore caves, shorelines and passages. As the sun peaks, we return to the Huong Long for one of Lien's many delicious lunches. After a leisurely rest period, those who are willing paddle for an hour

or two during the afternoon. Chien moves the boat to a new anchorage each evening, always in time for the sky to explode with color. We motor to the islands of Dau Be, where the jewel-like temple of Ha Men stands in the shadow of a lush green cliff.

We pull the kayaks to the sand. Captain Chien and Lien have prepared fresh fruit and paper as offerings, and we follow them to the little temple. Two mosaic cranes made of crushed bits of blue and white porcelain flank the entry. They stand on golden turtles, which symbolize the Golden Turtle Spirit that guarded the kingdom of Au Lac more than 2,000 years ago. Overhead hangs a garishly painted red and gold scroll.

Two serpentine dragons curl toward a ceramic rooster's head on the roof's ridge beam. Dragons on rooftops are seen as a symbol of protection. In the seventh century B.C., the Dragon Lord of the Lac, from whom the Vietnamese consider themselves descended, served as protector of the Hung kingdom.

Inside this whitewashed structure, a carnival of color pays homage to the Princess Ha Men, one of nine legendary drowned mountain princesses whose lone body washed up on this shore. Money sent by Vietnamese in America was used to restore Ha Men's shrine several years ago.

Chien places a smoking joss stick in a sand urn on the altar, then kneels and bows eight times. With hands folded and eyes closed he prays for safe passage in these waters. Eight of us follow suit, to the delight of the Vietnamese fishermen who are fanned in two lines outside the door.

We leave the islands of Dau Be and journey to Ba Ham, an island with three connected lagoons. This pristine place is virtually unknown to tourists, since access is by small craft only. As we snake through a particularly long tunnel, at once a tomb and a church, we hear bats chirping in the vaulted rock roof. Nobody speaks, for to do so would break the spell.

**OUR** kayakers glide into brilliant sunshine. As we wind along the coastline, Dag, my kayak partner, tells me that a good portion of this trip searches areas that have not been explored by Western tourists before. He adds that the plants we see are probably hundreds of years old.

When we return to the Huong Long, Lien has prepared yet another sumptuous meal of fresh shrimp, crab, steaming rice, sautéed green beans, crisp apple pears and cold beer. Shellfish are pulled daily from the surrounding waters by local fishermen. When we finish this feast, Maria doles out our daily ration of chocolate, and we sip hot tea, discussing the next day's plans.

On the crew's boat, we hear laughter rising as Nguyen and Chien, army-trained in the art of massage, rub the aching shoulders of two of our group. The evening is a time when we laugh together, with bits of English and Vietnamese phrases flying, as we try to understand cultures that are worlds apart yet somehow forged together on this remote bay of dragons.

Milly Boren, a writer in Hawaii, wrote this for The New York Times.

## MOVIE GUIDE

### TWO GIRLS AND A GUY

Directed by James Toback. U.S.

For the hour-and-a-half duration of "Two Girls and a Guy," the writer and director James Toback's devilishly original take on modern romance, you become a fly on the wall during a particularly nasty three-way argument. Lucky fly. By turns raunchy, touching and funny, "Two Girls" affords the viewer that quintessential of passive pleasures — that of the voyeur. But unlike mere Peeping Tomism, the rewards of which are only of a prurient nature, you're likely to come away from this astonishing encounter between the three corners of a lovers' triangle not just amused but enlightened about such not-so-simple issues as fidelity, betrayal, lust, possessiveness, honesty and forgiveness. Blake (a charmingly caddish Robert Downey Jr.) is what is commonly known in the parlance of passion as a dog — he is sleeping with two women and lying to both of them. He has one little problem in that the two girlfriends have just introduced themselves to each other outside his apartment, thereby revealing his canine status. With the exception of a couple of walk-ons who introduce the film, there are only three characters: the two-timing Blake; Girlfriend No. 1 (Heather Graham as the smart, sophisticated Carla) and Girlfriend No. 2 (Natascha Gregson Wagner as the voluble, streetwise Lou). Downey has never been better as the flawed, philandering Blake. Described by Lou as "irresistible," he does exude palpable magnetism, even when his behavior is ex-



Robert Downey Jr. in "Two Girls and a Guy."

posed for its most reprehensible. The many subtle but seismic ground shifts that occur in the personal dynamics between Blake, Lou and Carla are what keep this fascinating and fresh story from becoming a stagy set piece. (Michael O'Sullivan, WP)

### DEEP IMPACT

Directed by Mimi Leder. U.S. Apparently there is no better aid to family therapy than a murderously large meteor hurtling toward Earth. So the costly comet thriller "Deep Impact," which is to summer movies what the first crucifix is to springtime, explores the salutary effects of imminent doom. Lovers bond, family ties bind and old wounds heal as the planet prepares for its final hours, although the crisis proves not as dire as it could have been. We will survive to be hit by another comet picture in July ("Armageddon"). "Deep Impact" will doubtless seem the more sensitive of the two, since it emphasizes feelings over firepower whenever possible. Mimi Leder, who directed "The Peacemaker" and gives greater gloss and personality to this film, directs

flamingos. Morgan Freeman makes a fine president of the United States, with a thoughtful manner and just the right reassuring television presence. Vanessa Redgrave and Maximilian Schell are the glamorous, estranged parents of Jenny Leiner (Tea Leoni), a reporter for MSNBC. At the helm of the astronauts' mission to land on and deflect the comet is a tough but reassuring Robert Duvall. This is a film that finds time for Duvall to talk about Mark Twain and Herman Melville but doesn't waste much energy on wanton destruction. It's a welcome change of pace, but action audiences looking for an exciting apocalypse will have to wait. (Janet Maslin, NYT)

## Three Europeans Who Take It Easy



Bireli Lagrene, the Gypsy guitarist.

In "Goose Goofs Off," a popular children's book, the hero, the goose, keeps saying: "I'll do it tomorrow, I'm making it easy today." Here are three straight-ahead Europeans who have decided to take it easy today:

• **TOOTS THIELEMANS** "Chez Toots" (Private Music): Toots in a laid-back French bag. Seductively played melodies perfect for social settings where sipping champagne and polite conversation comes before listening to music. Songs by the likes of Toots' fellow Belgian Jacques Brel are sung by the easygoing Johnny Mathis, among others.

• **BIRELI LAGRENE**, "Blue Eyes" (Dreyfus): Once a child wonder, the French Gypsy guitarist Lagrene is no longer a child. It took years for him to

emerge from Django Reinhardt's shadow. Now a wondrously mature player, he makes his debut as a singer. So many great instrumentalists turn into bad singers. Not the case here.

• **NHOP** "This Is All I Ask" (Verve): The Danish Niels-Henning Orsted Pederson, one of the best bassists of all time, plays relaxed duos and trios with Phil Woods and Oscar Peterson and others. In the album notes, NHOP is quoted: "I've reached that stage of my life where I can say, 'This is all I ask.' There are still new goals I plan to achieve, but I'm happy with what I have, and content to look back at what I've achieved."

Mike Zwerin/IHT

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## SUMMER FESTIVALS

We continue the listing of some of the music festivals that are scheduled to start next month. Festivals starting in July will be listed on Friday, June 19.

**BADEN BADEN, GERMANY**  
International Festival, fax: (49-711) 79-61-29-90. June 2 to 13. Performances of Verdi's "Traviata" and "I Masnadieri." Barbara Hendricks opens the festival with a song recital, and a concert version of Strauss's "The Egyptian Helen" closes it.

**DROTTHINGHOLM, SWEDEN**  
Gluck Festival tel: (46-8) 860-8225, fax: 865-1473. May 27 to Sept. 1. In the 18th-century Court Theater, three operas by Christoph Willibald von Gluck: "Orfeo ed Euridice," a new production of "Alceste" and "Paride ed Elena." The program also includes Gluck's pantomime ballet "Don Juan." [www.drotthingholmsteatern.dtm.se](http://www.drotthingholmsteatern.dtm.se)

**GRANADA, SPAIN**  
Festival Internacional de Musica y Danza, tel: (34-9) 58-27-82-00, fax: 58-28-88-88. June 19 to July 5. Part of the program is dedicated to the figure of the poet the festival also celebrates music from the time of Philip II, who died in 1598. It includes works by Palestrina, Victoria and Desprez, among others. Events take place in the Palace of Charles V, the gardens of the Gernanille, the Cathedral, and other venues. [www.granadafestival.org](http://www.granadafestival.org)

**MUNICH**  
Munich Open-Festspiele tel: (49-89) 21-85-19-20, fax: 21-85-19-45. June 26 to July 31. At the Nationaltheater as the main venue, operas are to be performed daily. Cecilia Bartoli, Montserrat Caballe, Felicity Lott and

Hermann Prey perform in recitals and the Bayerisches Staatsballett offers "La Bayadere" and "Onegin." On the theater front, Eugene O'Neill's comedy "The Hairy Ape," is performed in English by the Wooster Group from New York.

**SAINT-DENIS, FRANCE**  
Festival de Saint-Denis, tel: 01-48-13-06-07. June 11 to July 12. In the basilica, resting place of the French kings: Berlioz's "Te Deum"; two versions of the "Stabat Mater"; Pergolesi's and Rossini's; Barbara Hendricks singing Berg, Debussy and Ravel; James Conlon, directing Thomas Hampson and Jon Vickers in a Mahler program, and the Capella Glinka from St. Petersburg performing Rachmaninov's "Vespers." [www.festival-saint-denis.fr](http://www.festival-saint-denis.fr)

**VERONA, ITALY**  
Arena di Verona, tel: (39-45) 800-5151, fax: 801-3287. June 26 to Aug. 30. In the Roman amphitheater, "Nabucco," with Alessandro Agache, Leo Nucci and Juan Pons alternating in the title role; Nucci and Pons also alternate in "Rigoletto," with Gilda's role sung by Inva Mula or Elisabeth Vidal; the baritone also sings "Renato in Maschera." "Tosca" is sung by Daniela Dessi, with Ruggero Raimondi featuring Baron Scarpia; in the traditional performances of "Aida," Maria Guleghina, Daniela Lotti and Sylvie Valayre alternate in the role of the slave girl. [www.arena.it](http://www.arena.it)

**ZURICH**  
Zurich Festspiele, tel: (1) 280-90-90, fax: 280-70-25. June 26 to July 19. An eclectic program of ballets, concerts, recitals, operas and theater. Riccardo Chailly conducts Puccini's "Fanciulla del West," directed by David Pountney; John Eliot Gardiner conducts Weber's "Oberon."

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## Is the U.S. Blowing a 'Bubble'?

Soaring Growth Raises Tough Questions for G-7

By Clay Chandler  
Washington Post Service

BIRMINGHAM, England — Much as he did a year ago for the previous meeting in Denver, President Bill Clinton is coming to this year's summit meeting for industrialized nations ready to criticize Japanese leaders for failing to repair their battered financial system and European leaders for the inability to generate new jobs.

But this year, the other Group of Seven leaders — who will meet here from Friday to Sunday — may answer Mr. Clinton's lecturing with a little finger-pointing of their own.

In Europe and in Asia, there is mounting concern that, despite the underlying vigor of the U.S. economy, the American stock market is swelling into an enormous asset "bubble" that poses at least as much danger to the stability of the global economy as does the slow growth in Europe or the financial mess in Asia.

The sky-high U.S. stock market generated unexpectedly heated debate among financial officials who gathered in Washington last month for the annual spring meeting of the World Bank and the International Monetary Fund. In the days since, Japanese officials have raised the subject with increasing frequency in public comments, while in Europe the bloated U.S. stock market surfaces repeatedly in discussions among investors and financial officials.

"There's definitely concern here that a big disturbance in U.S. asset markets could damage European markets in a major way," said Bill O'Neill, an international investment strategist with James Capel in London.

To hear officials from the other nations participating in this weekend's summit tell it, their growing unease with soaring U.S. share prices is shared by at least two key counterparts in America: Treasury Secretary Robert Rubin and Alan Greenspan, chairman of the Federal Reserve Board. In public, the two have hinted only obliquely that they are worried about the market's precipitous climb — partly, perhaps, because they worry that too much official agonizing might trigger the sudden sell-off they are hoping to avoid.

But in an interview with CNBC television last month, Mr. Rubin — who typically ducks comment about the stock market — offered a broad hint to investors by urging them to employ "rigorous analysis" when purchasing U.S. stocks. Mr. Greenspan has steered clear of the subject in public since the market quaked after he warned more than a year ago of "irrational exuberance" on Wall Street.

See G-7, Page 19



Federal studies estimate that a toxic waste site on land owned by Viacom Inc. in Palmerton, Pennsylvania, could cost \$200 million to clean up.

## Companies' Toxic Secrets: Pressure Is On for Cleanup

By Melody Petersen  
New York Times Service

NEW YORK — Eighteen years after the passage of sweeping legislation to clean up the worst of America's toxic waste dumps, much of the job remains undone.

American companies will have to spend billions of dollars to decontaminate the most polluted Superfund sites. But that is not at all obvious from scouring the companies' annual financial reports and filings.

The federal Superfund program, which was enacted in 1980, authorized the Environmental Protection Agency to identify America's most polluted sites and compel companies to pay as much as three times the actual cleanup costs.

Many companies, including General Electric Co. and Viacom Inc., only hint at their obligations in their filings and annual reports, leaving the people who invest in their stocks, live near their properties and work in their factories uninformed about when they plan to make amends — and how much they expect to spend.

Now, a variety of environmentalists, labor advocates, scientists and insurance-industry executives, all with different aims, want companies to identify

each site the government expects them to help fix and to provide their best estimate of what each cleanup might cost.

Without such basic information, these people say, they cannot tell whether companies are doing all they can or are ignoring the problem. That, in turn, makes it easier for companies to shirk their obligations.

Only about 37 percent of the 1,359 officially designated Superfund sites has been cleaned up after 18 years.

When asked, executives say they have nothing to hide. It's just that quantifying these costs is next to impossible and often irrelevant, they say.

Securities laws and accounting rules require companies to report what they expect to spend on environmental problems. But many executives argue that pending litigation clouds the picture or that the amounts are too trifling to spell out, given the company's size. And so far, auditors have not objected.

In its annual financial report, for instance, Viacom Inc., the entertainment giant, regales shareholders with news of "Titanic," its hit movie. "Winner of 11 Academy Awards, including Best Picture," it takes pains to note. But its yearly disclosure documents contain next to

See FUND, Page 19

## Microsoft Delays a Showdown

Antitrust Suit on Hold as Software Giant Puts Off Shipping Windows

Compiled by Our Staff From Dispatches

WASHINGTON — In a last-minute effort to avert a flood of federal antitrust lawsuits, Microsoft Corp. agreed Thursday to delay shipping the upgrade to its popular Windows software to computer makers until Monday so that negotiations with the government could continue.

The Justice Department said it and 20 states had agreed not to file lawsuits as planned Thursday and that Microsoft had agreed not to ship Windows 98 on Friday as planned while "discussions continue over the next several days."

A source described Microsoft's offer as "major concessions."

Microsoft said negotiations with state and federal officials started as early as May 6, the day after the company's chairman, Bill Gates, met quietly with top lawyers for the Justice Department.

But a Justice Department official said

serious talks had begun only "in the last day or two."

There has been an ongoing dialogue exchanging positions, but it's only been in the last day or two that it took on the flavor of a negotiation, said the official, who requested anonymity.

The Justice Department and the states had planned to file suits in U.S. District Court contending that Microsoft had wielded its monopoly status to illegally restrict competition, especially in the market for Internet browsers, the software used to view information on the World Wide Web.

Microsoft said the delay in shipping Windows 98 to computer makers would have no impact on its plan to sell the software to consumers starting June 25. The company's shares rose on prospects that the talks could lead to a settlement of the allegations. Microsoft stock closed at \$89.4375, up \$2.50.

"Any settlement is positive for the company," said Bill O'Hearn, a portfolio manager at McKinley Capital Management, which owns shares in Microsoft.

A source familiar with the negotiations said Microsoft had made "significant offers" to respond to antitrust concerns, including modifying the company's agreements with Internet content providers, Internet service providers and computer manufacturers.

The talks are likely to address Microsoft's control of the computer's start-up screen and desktop and its integration of its Internet Explorer browser into its Windows 98 operating system.

The Justice Department's investigation into the business practices of Microsoft is one of the biggest antitrust efforts since the breakup of AT&T Corp. in 1984. Microsoft's Windows products are used on virtually all desktop computers. (AP, Bloomberg)

## Credit Card Firms to Cash In on Euro

By Barry James  
International Herald Tribune

PARIS — They have seen the euro's future, and it's plastic.

Business executives gathered with government leaders Thursday in an upbeat mood about Europe's single currency. Many said it would revolutionize the way they do business and provide a solid foundation for growth.

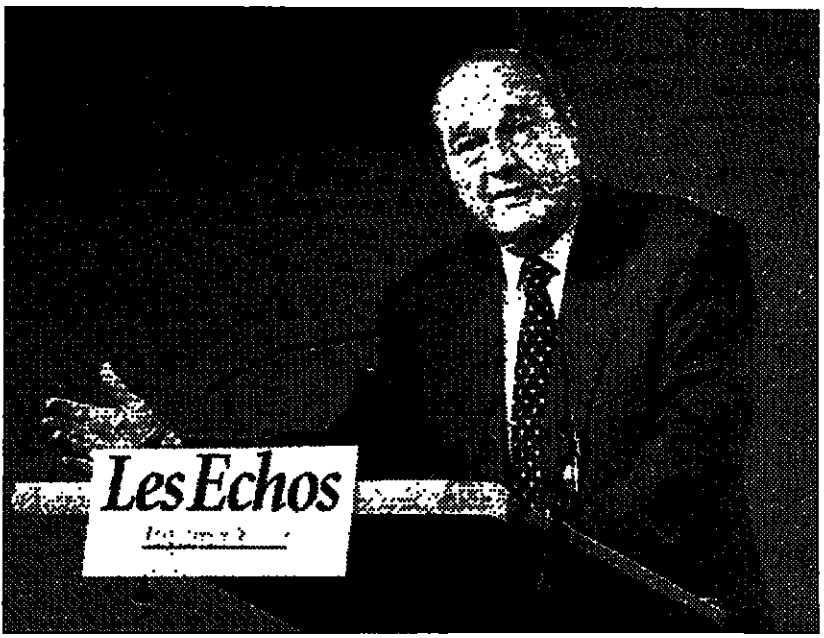
This could come as sweet news for credit card companies. When the currency is launched in January, the only way that people will be able to use it is with checks and plastic. They will have to wait another three years for the arrival of coins and bank notes.

That transition period is unnecessarily long, according to Daniel Bernard, chairman of the board of Carrefour, a major supermarket chain in France, who said that cash was fast being edged out by plastic. He said that already 70 percent of purchases in the company's stores in France were paid for with credit and stored-value cash cards.

Mr. Bernard's observations were borne out by the main credit card companies, which are preparing to take advantage of the interim period to launch euro-based products.

Travel — and spending — between member countries will increase as consumers find spending money in other countries easier, Eric Sagerman, an American Express Co. senior vice president, told Bloomberg News. "We think people will put it on plastic."

Europeans will be quicker to buy items from other countries after the conversion, he added. "If you're sitting in Germany now, you don't really think about buying something in France," Mr. Sagerman said. After Jan. 1, though, it will be easy to see if something in France is less expensive than the same item in Germany. In that case, the Ger-



President Chirac speaking at a euro conference in Paris on Thursday.

man consumer can "call them up and have them deliver it, like you do from New York to California," he said.

"And he's not going to spend cash." Although officials say the interim period of three years is needed to prepare people psychologically, and to manufacture the notes and coins, Mr. Bernard said they risked discouraging consumers with the delay.

"People will be using the euro from next January," Mr. Bernard said, "and there is no reason why they should not have the money as well."

Mr. Bernard also urged governments to introduce the euro in a single "big bang" rather than over a period of up to six months in 2002. Prolonging the entry, he said, would be expensive for retailers,

who would have to keep separate tills, and complicated for consumers.

Jukka Hamala, chairman of the confederation of Finnish industries, said the euro would give Finnish companies, operating from a small domestic market of only five million people, "excellent opportunities to expand."

The conference was opened by President Jacques Chirac, who called for the country's savings to be channeled toward corporate development.

"If we want to preserve our social model, we must make our savings available to our companies for their development," Mr. Chirac said. "French capitalism must be given the means to expand. We cannot leave French capitalism without capital."

## Trust Us, Companies Involved in Giant Mergers Say — but Who Gains?

By Peter Passell  
New York Times Service

NEW YORK — Boeing-McDonnell Douglas, WorldCom-MCI, Citicorp-Travelers, BankAmerica-NationsBank, DaimlerChrysler — and now SBC-Ameritech: Sometimes it seems that a primitive urge to merge has been unleashed, a dread that corporations will cease to matter unless they can conjure up a market value of \$50 billion.

Every merger in the brave new world of global capitalism is different, of course. And in some, the rationale that bigger is more efficient does hold up.

But for every case of successful cost-cutting or marketing synergies, there is another story of the failure to integrate information systems or corporate cultures. Consider, for example, the Union Pacific-Southern Pacific merger, which

has snarled rail traffic in the Southwest for a year. The real question, then, is whether Washington ought to slow the march toward corporate concentration. The conventional economic answer is "no," unless there is a good reason to believe that concentration would create monopoly power.

But many who do not want regulators to substitute their judgment for the will of the market still contend that mergers are more often motivated by managers' egos than by sincere wishes to maximize share value.

"Merger mania should be seen as a problem of corporate governance rather than antitrust policy," said Lawrence White, an economist at New York University's Stern School of Business.

Mergers can help corporations by reducing competition or by increasing efficiency. Because the former is legal grounds for prohibiting the deal, corporations always claim the latter.

Under prevailing antitrust doctrine, the burden of proof that a merger would result in higher prices rests with Washington. The government, however, has largely abandoned the once-fashionable view that mergers are unacceptable

### ECONOMIC SCENE

if they reduce the potential for greater competition down the road. Not surprisingly, then, relatively few mergers are challenged these days unless they would sharply increase market share.

But that leaves open the question of whether big mergers that do not increase concentration are good for the economy. Most economists defended hostile takeovers in the 1970s and early 1980s, arguing that they had become the only practical way for stockholders to discipline incompetent managers.

The argument for trusting the market is, on its face, compelling: If a corporate

raider is willing to pay \$100 for assets trading at \$50, he must have some better — that is, more efficient — use in mind.

But there is scant hard evidence that mergers, hostile or friendly, have in fact generated the promised efficiencies. The results of research on "horizontal" mergers linking companies in the same product markets are equivocal, and the most comprehensive study of conglomerate mergers, performed by F.M. Scherer and David Ravenscraft under the auspices of the Brookings Institution, found that the profitability of acquired companies on average declined.

What, then, is driving the current merger mania? With the average stock trading at a wildly optimistic 28 times earnings, it is said to say that Wall Street is inclined to find virtue in any bold initiative.

Citing evidence that corporate size

plays a far larger role in determining executive pay than return on stockholders' equity, Alfred Kahn, who was the economic adviser to President Jimmy Carter, sees managers' self-interest as dominant. "Classic efficiency and monopoly-power motives for mergers have been mixed with empire-building," he said.

Some analysts would attack the problem frontally. Dennis Mueller, an economist at the University of Vienna in Austria, argues that big mergers should be assumed to be harmful unless they can be shown to be beneficial. Under his recent proposal, mergers involving more than \$600 million in assets or more than a 25 percent market share would have to run the gamut at the Federal Trade Commission.

But Mr. Mueller represents a minority among economists. Robert Litan, director of economic studies at the Brookings Institution and a former

Justice Department official, is skeptical. "Regulators are better at uncovering monopoly power than at judging what's efficient and what's not," he said.

Antitrust activists within the government, in general on the defensive and in particular worried about public support for a looming battle with Microsoft Corp., are not about to get tougher on merger policy. Even if the government were so inclined, it is far from clear that the courts, enamored with minimalist antitrust theory, would allow it.

If the real problem, though, is the inclination of corporate leaders to feather their own nests, it is hard to imagine how new laws or rules would solve it.

For better or worse, modern capitalism requires shareholders to give executives enormous discretion. And the only practical deterrent to malfeasance seems to be corporate failure, which all too often punishes shareholders far more than the boss.

CURRENCY & INTEREST RATES											
May 14											
Cross Rates	USD	EUR	GBP	JPY	AUD	NZD	HKD	TWD	THB	SGD	MYR
Australia	0.6999	0.6999	0.6999	0.6999	0.6999	0.6999	0.6999	0.6999	0.6999	0.6999	0.6999
Canada	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140
France	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663
Germany	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Italy	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japan	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00
South Africa	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000
Switzerland	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033
UK	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912
Other Dollar Values											
Argentina	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Canada	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140
France	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663
Germany	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Italy	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japan	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00
South Africa	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000
Switzerland	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033
UK	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912
Forward Rates											
Canada	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140
France	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663	1.3663
Germany	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Italy	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japan	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00	111.00
South Africa	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000	6.5000
Switzerland	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033	0.7033
UK	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912	0.6912

“?” “?” “?” “?” “?” “?” “?” “?” “?” “?”

It appears that the euro has united Europe after all.

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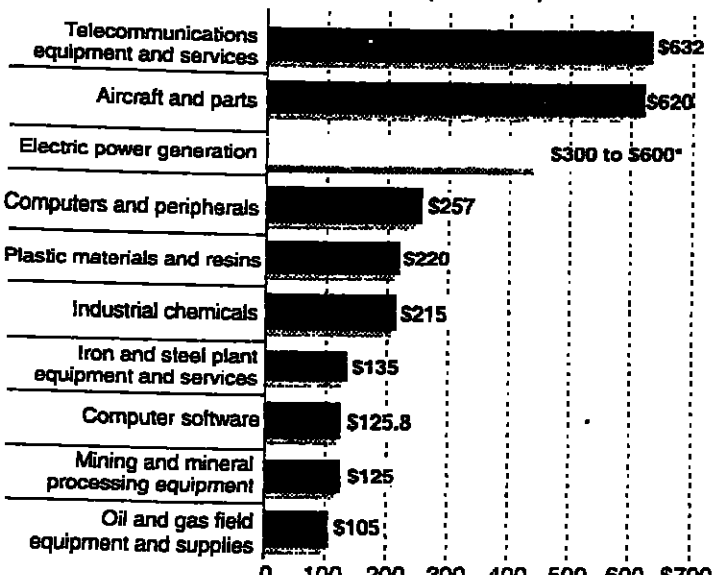
ASIA/PACIFIC

# A Sanctions Side Effect: Lost Business for U.S. Firms

## What the U.S. Sells to India

The sectors ranked by the U.S. government as best prospects for goods and services sales in India are:

Estimated 1997 U.S. exports to India (in millions)



\*Precise estimate unavailable. Sources: U.S. Embassy in New Delhi; International Trade Administration

By Martha M. Hamilton  
Washington Post Service

WASHINGTON — Boeing Co. stands to lose almost \$500 million in aircraft orders as a result of President Bill Clinton's decision to impose economic sanctions on India.

Major roadblocks also lie ahead for construction companies, suppliers of power-generation equipment and builders of electric plants who are investing billions of dollars to help India overcome its chronic shortage of generating capacity.

Meanwhile, other U.S. companies are scrambling to determine how their dealings with India might be affected by the sanctions that Mr. Clinton imposed after India announced it had exploded five nuclear devices. In all, the sanctions appear likely to cost India close to \$20 billion in loan guarantees and other economic aid from American and international agencies. The United States is one of India's biggest trading partners, accounting for about 22 percent of its total exports and 11 percent of its imports. U.S. exports to India reached \$3.6 billion in 1997, while direct U.S. investment has hit more than \$7 billion a year.

The damage to the Indian economy will depend on whether the United States "wants to ratchet up the level of sanctions" to discour-

age direct investment in India, said Bejoy Das Gupta, a senior economist for the Institute of International Finance, a Washington-based group whose members include banks, brokerage firms and financial-services companies.

Marshall Bouton, executive vice president of the Asia Society, a private group that promotes improved U.S. relations in the region, said that sanctions would not "bring the Indian economy to its knees" but that they would "bite" if they went on "for a year or two."

Judith Lee, a partner who specializes in international trade at the Washington law firm Gibson, Dunn & Crutcher, said she had been fielding calls from clients all day. "Everybody is just wondering what in the hell is going on," she said. Normally when sanctions are imposed on a country, Ms. Lee said, it is after a lengthy process in which companies have had time to determine what the impact will be on their operations. "In this situation," she said, "there was no warning."

The sanctions prohibit credit, credit guarantees or other financial assistance by U.S. government agencies to India, as well as loans by commercial banks to government entities in India. They also bar the sale of weapons to India, including technology that could be used to design

and construct weapons. This could limit sales of computer technology.

Moreover, the sanctions would cut off loans and guarantees for about \$500 million in export projects that are pending but have not been approved by the U.S. Export-Import Bank, as well as \$3.5 billion in projects that are at a preliminary stage.

Boeing, for instance, is relying on a \$200 million Export-Import Bank credit for the sale of 10 737 jets to the private carrier Jet Airways, a deal valued at \$486 million. Boeing is also battling Airbus Industrie over a large order from Air India.

The sanctions also cut off \$10.2 billion in insurance and financing by Overseas Private Investment Corp. and may block about \$2 billion in projects that the World Bank was expected to finance this year. The United States cannot veto World Bank funding unilaterally but will have to enlist support from other large shareholders. Japan already has signaled its willingness to take steps against India.

Mark Bickford-Smith, who helps manage Asian investments for the mutual-fund concern T. Rowe Price Associates Inc., said the Indian economy could probably withstand the impact of the sanctions on lending and other financial aid. "The area we'd be much more concerned about is the trade picture, particularly in the burgeoning and very successful technology area," he said.

Bob Cohen, speaking for the Information Technology Association of America, said most U.S. sales to India of information technology involved software, which is normally sold commercially and probably would not fall under the sanctions. The association represents leading technology companies including International Business Machines Corp., Electronic Data Systems Corp., AT&T Corp., Microsoft Corp. and Oracle Corp.

Mr. Cohen also said the sanctions were not likely to interfere with India's growing software development industry in Bangalore and New Delhi, which sells services to U.S. companies.

The sanctions probably will have a chilling effect on new U.S. corporate investment in India, Mr. Bouton of the Asia Society said. But U.S. business already had developed a wariness toward investment there over the past two years as the pace of reform and privatization had slowed, he said.

Most U.S. investment has been in power projects, transportation and infrastructure, although consumer-products companies including PepsiCo Inc. and Coca-Cola Co. have also made commitments in India.

The largest foreign investment in India is Enron Corp.'s \$2.5 billion power plant at Dabhol, being built for the state-run utility in Maharashtra. The first phase of the construction is under way, and expected to be completed by the end of the year.

### ■ Rupee Slides Against Dollar

The Indian rupee fell 2 percent to a record low of 40.58 to the dollar Thursday amid concern that the sanctions would cut flows of foreign currency to the country, Bloomberg News reported from Bombay.

The Indian currency's previous low was 40.30 to the dollar, set Jan. 15. On Wednesday, the dollar bought 39.77 rupees.

## Daimler Sets Nissan Move, Paper Reports

Compiled by Our Staff From Dispatches

TOKYO — Daimler-Benz AG will buy a majority stake of as much as 60 percent in Nissan Diesel Motor Co., the Nihon Keizai newspaper reported Thursday, without naming its sources. But Daimler refused to comment on the report, reiterating only that the companies were holding talks.

"We are negotiating several opportunities for cooperation with Nissan Diesel," Daimler's chief spokesman, Christoph Walther, said. "At the moment, there is no need for an exchange of capital."

Emiko Otani, a spokeswoman for Nissan Diesel, added that "nothing has been decided yet."

The report said Nissan Motor Co., Nissan Diesel's largest shareholder, would sell part of its 39.8 percent stake in Japan's fourth-largest truckmaker to Daimler. It also said the German company would buy newly issued shares in the truckmaker to raise its stake above 50 percent.

Nissan Motor's stake in Nissan Diesel will fall to 20 percent or less, making it the company's second-largest shareholder, the Nikkei said. Such a deal would make Nissan Diesel the first Japanese vehicle-maker to become a subsidiary of a foreign company. Ford is the largest shareholder in Mazda Motor Corp., with a minority stake of about 34 percent.

Daimler said it was negotiating with Nissan last week, just after saying it would buy Chrysler Corp. to become the world's third-largest



A Toyota dealer announcing sale prices after New Zealand eliminated tariffs on imported cars.

## New Zealand Trims Growth Forecasts Amid Asia Slowdown

Bloomberg News

WELLINGTON — New Zealand said Thursday that it had trimmed its growth forecasts in the face of the economic slowdown in Asia, but analysts said the government had not gone far enough in accounting for the likely impact.

The Treasury sees economic growth of 2.7 percent for the year ending March 31, 1999, down from the 4.0 percent rate forecast five months ago. For the following year, the Treasury predicts growth of 3.9 percent, compared with a forecast of 3.3 percent made in December.

"Their growth revisions are in the right direction because of Asia," said Su-Lin Ong of RBCDS Global Markets, "though 2.7 percent for growth could be on the optimistic side, and as far as the almighty rebound afterwards, that's definitely on the optimistic side."

carmaker in terms of revenue.

An alliance between Nissan Diesel and Daimler would help Daimler expand in Asia and give financially strapped Nissan money to focus on its passenger-car business.

By gaining access to the German concern's cleaner engine technology, Nissan hopes to reduce costs of developing such engines, which meet stringent emission require-

ments in other countries.

Nissan Motor's president, Yoshikazu Hanawa, said Wednesday that a possible tie-up between his company and Daimler-Benz would involve other Nissan affiliates.

Mr. Hanawa said Nissan would develop ties with Daimler-Benz in "more than 10 segments," adding that the deal including the Nissan Diesel takeover was expected to be

completed by the end of June.

The talks between Daimler and Nissan have already produced an agreement requiring Nissan Diesel to sell some truckmaking technology to Daimler.

Mr. Hanawa said Wednesday that the talks would probably be completed before Nissan's shareholder meeting in June.

(Bloomberg, AFP, NYT)

## Motorola Inc. Plans Korean Investments

Bloomberg News

SEOUL — Motorola Inc., the world's largest maker of wireless phones, said Thursday it would invest \$300 million in semiconductor and telecommunications businesses in South Korea as part of its expansion in Asia.

"We envisage a series of investment plans for Thailand, the Philippines, Singapore and other Asian nations in coming months," said Richard Youngs, president of Motorola Asia-Pacific. "I expect the economic stability will return in the next three to five quarters for most countries."

The company, based in Schaumburg, Illinois, said it would strengthen its mobile-phone handset business, using the code division multiple access system, or CDMA, a new mobile-phone technology, through new partnerships with local companies.

"Our major target is CDMA mobile phone manufacturers," Mr. Youngs said. Motorola will inject \$150 million in the company's South Korean semiconductor, software and communication products businesses in the next three months.

One target company could be Pantech Co., which makes mobile phones that use CDMA technology. Pantech stock closed 0.6 percent higher at 5,180 won (\$3.69).

## FUND: Companies Facing Pressure to Clean Up Toxic Waste Sites

Continued from Page 15

nothing about the mess in Palmerton, Pennsylvania, that federal regulators trace at least in part to Viacom's door.

There, smoke from a zinc smelter has scattered huge quantities of heavy metals throughout the rural town. The smelter was operated for decades by Paramount Communications, back when it was an industrial hodgepodge known as Gulf & Western. By the time Viacom bought Paramount in 1994, the smelter had long since been sold. But under federal law, prior owners of Superfund sites can still be held responsible.

Toxic smoke from the smelter killed all the plants and trees on a mountain overlooking Palmerton and the grass in residents' yards.

Government tests have shown that children who live in Palmerton have higher-than-normal levels of lead in their blood. The metals have found their way into the horses and cattle that graze in the area and even into garden vegetables.

The smelting also left a swath of toxic waste 2.5 miles (four kilometers) long that is still burning inside — a molten mess that government studies say could cost \$200 million to clean up.

But Viacom did not find Palmerton worth noting in its recent 100-page financial report. The only hint of the millions of dollars that Viacom may spend on it and 17 other polluted sites that regulators say the company is at least partly responsible for is a footnote that makes no specific mention of a Superfund problem.

The footnote says the company has recorded a liability — it does not say how much — of its best estimate of its "environmental exposure"

on various unspecified matters. Through a spokesman, the company defended its accounting but refused to disclose more details.

As for any human and environmental toll, Viacom's position is that the Environmental Protection Agency has exaggerated the damage.

"The EPA's studies are flawed," said Carl Folta, Viacom's spokesman. For instance, he maintains that for children in Palmerton, the most likely source of elevated levels of lead in blood is the lead paint in homes. Proponents of more disclosure say that such disputes and reluctance to provide information about the toxic sites illustrate much about what ails the federal Superfund program.

"It's now cheaper for the company to pay a lawyer a million dollars a year" to file lawsuits that create a delay than to record a liability and clean up, said William Cooper, a chemistry professor at the University of North Carolina at Wilmington. "The current system does not work."

His is but one name on a 1997 report by a panel of the National Research Council, an advisory group to the government consisting mostly of scientists and engineers, that found serious shortcomings in corporate reports.

According to the study, companies typically report a liability of about \$1 million for each Superfund site, even though experience shows that the average site costs about

\$25 million to clean up.

Though some of the disparity may arise because companies anticipate sharing the tab with other responsible parties, other studies have detected similar gaps.

Of all the groups expressing concerns, the insurance industry, which ends up paying a lot of the cleanup costs, is most likely to get its way. The industry wants companies to publish a list of their Superfund sites, along with a case-by-case estimate of potential liability.

A draft proposal is circulating for comment, but if it fails to be enacted by a rule-making body, the insurers could make the added disclosure a condition of new policies.

## G-7: U.S. to Face Tough Questions on Fast Growth

Continued from Page 15

Officials from other Group of Seven countries — Japan, Germany, France, Britain, Italy and Canada — say that, in private communications, both men have stated their misgivings much more plainly.

Of course, some G-7 officials scoff at the bubble thesis. And in meetings with counterparts and in his public appearances here, Mr. Clinton will be able to note that the U.S. economy expanded at an impressive 4.2 percent rate in the first quarter, even as unemployment fell to 4.8 percent and consumer prices advanced 1.4 percent.

But proponents of the idea tick off a long list of what they say are classic bubble symptoms. The most obvious, they say, is the astonishing speed of a U.S. market rally in which the Standard & Poor's index of 500 U.S. stocks has

shot up 68 percent in just the past two years, propelling price/earnings ratios to more than 24 to 1.

Among the other tell-tale signs: the sudden frenzy of U.S. corporate mergers, the surge in activity in the American commercial property market and booming sales for multimillion-dollar homes and luxury goods.

Some Japanese officials say they see ominous parallels between the U.S. econ-

omy of 1998 and their own economy in 1989, the year before its debilitating slide.

Bubble-theory devotees are particularly dismissive of U.S. analysts who argue that the lofty U.S. stock prices are an accurate reflection of America's passage into a "new economy" in which global competition and new technologies have made it possible for the economy to grow at a brisker pace without danger of inflation.

### CITIMARKETS S.A.

16, avenue Marie-Thérèse, L-2132 LUXEMBOURG  
R.C. Luxembourg B 23 112

#### NOTICE TO THE UNHOLDERS OF CITIMARKETS

It was unanimously resolved by the Board of Directors to change the address of the registered office of the Management Company from 16, Avenue Marie-Thérèse, L-2132 Luxembourg to 58, Boulevard Grande-Duchesse Charlotte, L-1330 Luxembourg, with effect on May 1st, 1998.

On behalf of the Board of Directors

## THE LIVING LEGEND



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NASDAQ

Thursday's 4 P.M.  
The 1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
The Associated Press.

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
12.00	11.75	IBM	3.00	4.5	15.0	100	12.00	11.75	IBM	3.00	4.5	15.0	100
11.50	11.25	Microsoft	2.00	3.5	18.0	100	11.50	11.25	Microsoft	2.00	3.5	18.0	100
11.00	10.75	Oracle	1.50	3.0	20.0	100	11.00	10.75	Oracle	1.50	3.0	20.0	100
10.50	10.25	Amazon	0.50	2.5	22.0	100	10.50	10.25	Amazon	0.50	2.5	22.0	100
10.00	9.75	Google	0.25	2.0	25.0	100	10.00	9.75	Google	0.25	2.0	25.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
9.50	9.25	Yahoo	0.10	1.5	28.0	100	9.50	9.25	Yahoo	0.10	1.5	28.0	100
9.00	8.75	Comcast	0.05	1.0	30.0	100	9.00	8.75	Comcast	0.05	1.0	30.0	100
8.50	8.25	Netflix	0.02	0.8	32.0	100	8.50	8.25	Netflix	0.02	0.8	32.0	100
8.00	7.75	Spotify	0.01	0.5	35.0	100	8.00	7.75	Spotify	0.01	0.5	35.0	100
7.50	7.25	Twitter	0.00	0.0	40.0	100	7.50	7.25	Twitter	0.00	0.0	40.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
7.00	6.75	LinkedIn	0.00	0.0	45.0	100	7.00	6.75	LinkedIn	0.00	0.0	45.0	100
6.50	6.25	Dropbox	0.00	0.0	50.0	100	6.50	6.25	Dropbox	0.00	0.0	50.0	100
6.00	5.75	Slack	0.00	0.0	55.0	100	6.00	5.75	Slack	0.00	0.0	55.0	100
5.50	5.25	Zoom	0.00	0.0	60.0	100	5.50	5.25	Zoom	0.00	0.0	60.0	100
5.00	4.75	Zoom	0.00	0.0	65.0	100	5.00	4.75	Zoom	0.00	0.0	65.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
4.50	4.25	Zoom	0.00	0.0	70.0	100	4.50	4.25	Zoom	0.00	0.0	70.0	100
4.00	3.75	Zoom	0.00	0.0	75.0	100	4.00	3.75	Zoom	0.00	0.0	75.0	100
3.50	3.25	Zoom	0.00	0.0	80.0	100	3.50	3.25	Zoom	0.00	0.0	80.0	100
3.00	2.75	Zoom	0.00	0.0	85.0	100	3.00	2.75	Zoom	0.00	0.0	85.0	100
2.50	2.25	Zoom	0.00	0.0	90.0	100	2.50	2.25	Zoom	0.00	0.0	90.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
2.00	1.75	Zoom	0.00	0.0	95.0	100	2.00	1.75	Zoom	0.00	0.0	95.0	100
1.50	1.25	Zoom	0.00	0.0	100.0	100	1.50	1.25	Zoom	0.00	0.0	100.0	100
1.00	0.75	Zoom	0.00	0.0	105.0	100	1.00	0.75	Zoom	0.00	0.0	105.0	100
0.50	0.25	Zoom	0.00	0.0	110.0	100	0.50	0.25	Zoom	0.00	0.0	110.0	100
0.00	0.00	Zoom	0.00	0.0	115.0	100	0.00	0.00	Zoom	0.00	0.0	115.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
0.00	0.00	Zoom	0.00	0.0	120.0	100	0.00	0.00	Zoom	0.00	0.0	120.0	100
0.00	0.00	Zoom	0.00	0.0	125.0	100	0.00	0.00	Zoom	0.00	0.0	125.0	100
0.00	0.00	Zoom	0.00	0.0	130.0	100	0.00	0.00	Zoom	0.00	0.0	130.0	100
0.00	0.00	Zoom	0.00	0.0	135.0	100	0.00	0.00	Zoom	0.00	0.0	135.0	100
0.00	0.00	Zoom	0.00	0.0	140.0	100	0.00	0.00	Zoom	0.00	0.0	140.0	100

NYSE

Thursday's 4 P.M. Close  
(Continued)

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
12.00	11.75	IBM	3.00	4.5	15.0	100	12.00	11.75	IBM	3.00	4.5	15.0	100
11.50	11.25	Microsoft	2.00	3.5	18.0	100	11.50	11.25	Microsoft	2.00	3.5	18.0	100
11.00	10.75	Oracle	1.50	3.0	20.0	100	11.00	10.75	Oracle	1.50	3.0	20.0	100
10.50	10.25	Amazon	0.50	2.5	22.0	100	10.50	10.25	Amazon	0.50	2.5	22.0	100
10.00	9.75	Google	0.25	2.0	25.0	100	10.00	9.75	Google	0.25	2.0	25.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
9.50	9.25	Yahoo	0.10	1.5	28.0	100	9.50	9.25	Yahoo	0.10	1.5	28.0	100
9.00	8.75	Comcast	0.05	1.0	30.0	100	9.00	8.75	Comcast	0.05	1.0	30.0	100
8.50	8.25	Netflix	0.02	0.8	32.0	100	8.50	8.25	Netflix	0.02	0.8	32.0	100
8.00	7.75	Spotify	0.01	0.5	35.0	100	8.00	7.75	Spotify	0.01	0.5	35.0	100
7.50	7.25	Twitter	0.00	0.0	40.0	100	7.50	7.25	Twitter	0.00	0.0	40.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
7.00	6.75	LinkedIn	0.00	0.0	45.0	100	7.00	6.75	LinkedIn	0.00	0.0	45.0	100
6.50	6.25	Dropbox	0.00	0.0	50.0	100	6.50	6.25	Dropbox	0.00	0.0	50.0	100
6.00	5.75	Slack	0.00	0.0	55.0	100	6.00	5.75	Slack	0.00	0.0	55.0	100
5.50	5.25	Zoom	0.00	0.0	60.0	100	5.50	5.25	Zoom	0.00	0.0	60.0	100
5.00	4.75	Zoom	0.00	0.0	65.0	100	5.00	4.75	Zoom	0.00	0.0	65.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
4.50	4.25	Zoom	0.00	0.0	70.0	100	4.50	4.25	Zoom	0.00	0.0	70.0	100
4.00	3.75	Zoom	0.00	0.0	75.0	100	4.00	3.75	Zoom	0.00	0.0	75.0	100
3.50	3.25	Zoom	0.00	0.0	80.0	100	3.50	3.25	Zoom	0.00	0.0	80.0	100
3.00	2.75	Zoom	0.00	0.0	85.0	100	3.00	2.75	Zoom	0.00	0.0	85.0	100
2.50	2.25	Zoom	0.00	0.0	90.0	100	2.50	2.25	Zoom	0.00	0.0	90.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
2.00	1.75	Zoom	0.00	0.0	95.0	100	2.00	1.75	Zoom	0.00	0.0	95.0	100
1.50	1.25	Zoom	0.00	0.0	100.0	100	1.50	1.25	Zoom	0.00	0.0	100.0	100
1.00	0.75	Zoom	0.00	0.0	105.0	100	1.00	0.75	Zoom	0.00	0.0	105.0	100
0.50	0.25	Zoom	0.00	0.0	110.0	100	0.50	0.25	Zoom	0.00	0.0	110.0	100
0.00	0.00	Zoom	0.00	0.0	115.0	100	0.00	0.00	Zoom	0.00	0.0	115.0	100

High	Low	Stock	Div	Yld	PE	100	High	Low	Stock	Div	Yld	PE	100
0.00	0.00	Zoom	0.00	0.0	120.0	100	0.00	0.00	Zoom	0.00	0.0	120.0	100
0.00	0.00	Zoom	0.00	0.0	125.0	100	0.00	0.00	Zoom	0.00	0.0	125.0	100
0.00	0.00	Zoom	0.00	0.0	130.0	100	0.00	0.00	Zoom	0.00	0.0	130.0	100
0.00	0.00	Zoom	0.00	0.0	135.0	100	0.00	0.00	Zoom	0.00	0.0	135.0	100
0.00	0.00	Zoom	0.00	0.0	140.0	100	0.00	0.00	Zoom	0.00	0.0	140.0	100

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## WORLD ROUNDUP

### Swedes Reach Final

**ICE HOCKEY** Sweden swept into the world championship final with a 7-2 victory over host Switzerland on Thursday in the second leg of the semifinal. The Swedes had won the first game, 4-1.

Fredrik Modin, Mikael Renberg, Ulf Dahlén and Christer Olsson gave Sweden a four-goal lead in the first period. Johan Tornberg, Niklas Sundström and Peter Forsberg also scored before Dino Kessler and Reto Von Arx tallied for Switzerland. (Reuters)

### Orioles Sign Erickson

**BASEBALL** Scott Erickson, a 30-year-old right-handed pitcher who could have become a free agent after the season, agreed to a \$32-million, five-year contract extension with the Baltimore Orioles.

Charles Nagy, a 31-year-old right-handed pitcher, signed a four-year contract extension with the Cleveland Indians. Financial terms were not disclosed. (AP)

### Sport as a Contraceptive

Girls who play high school sports delay becoming sexually active and are less likely to get pregnant than those who don't, a study has found. Paula Hunt, spokeswoman for the Women's Sports Foundation, told The Dallas Morning News that a report by the foundation, "Sport and Teen Pregnancy," had confirmed the long-suspected conclusion. The foundation promotes women's participation in sports.

The study found that girls who played sports were: less than half as likely to get pregnant as girls who didn't, more likely to begin sex later in adolescence, likely to have fewer partners and more likely to use contraceptives. The study found no such differences in sexual behavior between male athletes and nonathletes. (AP)

### Two Losers in One Game

**SOCCER** A match in the Rio de Janeiro state championships ended just half an hour after the scheduled kickoff and both teams lost, 2-0.

Flamengo and Fluminense, two of Brazil's leading teams, refused to play because, they said, the venue had been altered without warning.

Referee Claudio Cerdeira waited a half-hour before calling the game off. "I'm taking the ball home as a souvenir," he said. "This is the first time this has happened in my career." (Reuters)



Chang returning to Sampras on Thursday. Chang won in straight sets.

## Chang Outduels Sampras In Swelter of Italian Open

The Associated Press

ROME — Michael Chang ended Pete Sampras's short run at the Italian Open in the third round Thursday, 6-2, 7-6 (8-6), dealing the world's No. 1 player another clay-court disappointment.

Chang, the 15th seed, had the better serve and more consistent ground strokes than Sampras, and won the center court encounter in under two hours. Chang had 11 aces to five for Sampras.

"I really got off to a bad start," said Sampras, who had his serve broken in the first game of the match. "By the middle of the second set I felt pretty good out there, got a pretty good rhythm out there. But the difference was he played the important points better."

The two Americans played under a scorching sun, with temperatures that topped 30 degrees centigrade (85 Fahrenheit).

Sampras, who has always had problems on clay, had struggled even as he won his first two matches in straight sets. "I've gotten off to a pretty shaky start in every match I've played here," Sampras said. "I get a little tentative out there and it showed. I got impatient, trying to hit my way out of trouble and that's when I got into trouble on clay."

Chang has made marked improvement in his service recently and it showed against Sampras, whose career

has been built on his powerful serve and forehand. Neither worked for the top seed Thursday, while Chang had most of his aces in the tight second set.

"I don't think I'll ever really win matches just by serving well," Chang said, "but if I'm able to get a couple of free points here and there it will help me out."

"I couldn't believe it," said Sampras. "Especially on the big points, he came with the big serve. It's hardly ever that he out-aces me."

Marcelo Rios, the No. 3 seed, continued to breeze through the draw with a 6-3, 6-1 victory over Thomas Muster.

Yevgeni Kafelnikov lost to Richard Krajicek, the No. 11 seed, 6-2, 3-6, 7-6 (8-6), and Brett Steven upset No. 14 seed Carlos Moya, 7-5, 6-0.

### Hingis Crushes Majoli

Martina Hingis routed Iva Majoli, 6-1, 6-2, in the German Open, The Associated Press reported from Berlin. Hingis took just 49 minutes to beat the woman who beat her in the final of last year's French Open, spoiling her bid for the Grand Slam.

Hingis will next face Anna Kournikova, who overpowered Arantxa Sanchez-Vicario, the No. 5 seed, 6-4, 6-2. Ai Sugiyama from Japan upset No. 4 Amanda Coetzer, 4-6, 6-2, 6-3.

## Tiny Zola Hits Big Time Again

International Herald Tribune

STOCKHOLM — Gianfranco Zola, one of the smallest professional soccer players in Europe, won the Cup Winners' Cup for Chelsea against VfB Stuttgart on a mellow night in Stockholm.

He did it with a goal that transcended a dive game, demonstrating that it is what is in a man's mind rather than the shape or size of his body that counts.

The Italian, eager to prove himself fit after a two-centimeter tear in an abdominal muscle, came on as a substitute with 20 minutes left Wednesday. He needed just 22 seconds to put his seal on the night. He was quick, he was subtle; he darted where no man imagined, he finished with real venom.

"It wasn't planned," he said. "In the moment, I used my positive strength and I got a reward for the passion, the work not only I, but the masseur Mimmo Pezza did together in Rimini. The injury should take one month to heal, Mimmo Pezza helped me to be fit in less than half that. I think this man for a beautiful moment which will be in my heart for as long as I can remember."

Emotion shook his body. Zola donated his man of the match prize, a \$15,000 Nissan car, to charity. More money, he hardly needs. A World Cup call-up, he craves. "Maybe Cesare Maldini was watching, and maybe he'll pick me," said Zola. "I can do no more." Maldini, Italy's coach, must decide now between Zola and Roberto Baggio.

Germany, meanwhile, must be worried. Wednesday pointed up the Achilles' heel of the German team, the lack of a defensive sweeper or libero. The land which once boasted Franz Beckenbauer, the Kaiser among liberos, has lost, through injury, Matthias Sammer, the best of the modern generation. It has recalled Lothar Matthäus, 37, for the World Cup. Wednesday showed why. For Stuttgart, fourth in the Bundesliga and the last German hope of

European Soccer/Rob Hughes

a European trophy this season: simply did not have one German to step into that pivotal defensive role. Frank Verlaet, the club's Dutch libero, was suspended and the only "volunteer" was Murat Yakin, a Swiss midfielder.

Against Gianluca Vialli and Tore Andre Flo, Yakin got away with it. The moment Zola arrived he lured Yakin forward, impulsively scampers behind him and, quicker than you could shout "He's behind you!" Zola received Dennis Wise's pass and rapturously drove the ball into the roof of the net.

In a tetchy match, Chelsea's Dan Petrescu was sent off for a foul. Stuttgart's Gerhard Poschner for insolence. Chances were squandered by men who lost their nerve and their aim until Zola showed them how. Intriguingly, Graham Rix, the Chelsea assistant coach had a different substitution in mind.

"He told me he was going to take me off!" said Vialli, who is Rix's boss at all times except when he is actually playing. "You must be joking." Vialli, the coach, told Rix, the assistant coach, Zola had to come on, Flo had to go.

The ecstasy soon wore thin for Chelsea fans who outnumbered Stuttgart's five to one in the 30,216 crowd. The club's own travel company had booked thousands in and out in a day, but Arlanda airport was closed to them for hours, the planes left empty, and tired and bored supporters were draped in their blue shirts around lounges until lunchtime Thursday. Angry though they were, the fans behaved meekly, some of them even joyous. "Being here when Zola did that," said one, "was worth the hassle."

Rob Hughes is sports correspondent of The Times of London



Zola, watched by Danny Granville, celebrating after receiving his medal.

## Post Positions Shake Up Preakness Field

By Andrew Beyer  
Washington Post Service

BALTIMORE — On a Pimlico racing strip that has historically favored horses running near the rail, the Kentucky Derby winner Real Quiet will start from the outside post position, No. 11, in the Preakness.

He got that unlucky number on Wednesday as Pimlico employed a new system — first used at the Derby two weeks ago — that allows participants to choose the post positions for their horses. A blind draw determines the order of selection, and when the trainer for Real Quiet, Bob Baffert, was left with the 11th pick for his horse, he had no choice.

"The best horse in the race has to give up a few lengths," he lamented. The Preakness, to be run Saturday, is the second leg of North American racing's Triple Crown.

Victory Gallop, the Derby runner-up, was not much more fortunate, and will start from No. 10. Coronado's Quest, winner of the Wood Memorial Stakes who skipped the Derby, will break from No. 4.

Pimlico's oddsmaker, Clem Florio, listed Coronado's Quest as a 2-to-1 fa-

vorite over the Derby winner, and explained that he was swayed by the horses' posts and running styles. "Inside speed is so important here," he said.

While some of the participants in the post-position draw shrugged off the importance of their horses' assignments, people who regularly watch races at Pimlico know otherwise. Racing near the rail is usually an advantage because the turns are sharper and less banked than at many other tracks. Horses who race wide tend to lose their momentum, and they don't often win with the bold, outside moves that are commonplace at Churchill Downs — such as the one Real Quiet made.

On occasion, the inside part of the Pimlico strip becomes the fastest part of the track, and the bias accentuates the advantage of being on the rail. That's what happened in the 1996 Preakness, when Louis Quatorze led all the way on the inside while Skip Away was forced to race wide after breaking from a poor post — No. 11.

In addition to worrying about their own horses, most of the owners and trainers in the Preakness were paying special attention to Coronado's Quest. The colt has frequently thrown tantrums

in the paddock and post parade before his races, and rival trainers are wary of having their horses near him.

Stuart Janney III, his owner, was the first to pick, and chose Post 4. Pat Byrne, trainer of a long shot, Black Cash, subsequently picked No. 2 because, "I don't want to be next to Coronado's Quest." But David Cross, trainer of Classic Cat, picked a stall next to the unruly colt and said: "Behind him, in front of him, on top of him — it doesn't matter."

Coronado's Quest got another break when the other principal speed horse in the field, Baquero, drew No. 7, meaning that the favorite will be nearer the rail if the two horses hook up in a duel — which is probable.

The trainer Wayne Lukas almost certainly entered Baquero to set a fast pace that will help his stretch-running Cape Town, though the trainer denied that his speedster was going to be employed as a "rabbit" to press Coronado's Quest.

The object of all this attention remained at his base in Belmont Park, New York, and will stay there until he is ferried to Pimlico on Saturday morning. Coronado's Quest's trainer, Shug McGaughey said, "He doesn't need to be in that rat race down there."

## Kolzig Stops Ottawa for 3-1 Caps' Lead

By Rachel Alexander  
Washington Post Service

KANATA, Ontario — The Washington Capitals managed just 11 shots on goal but still eked out a 3-0 victory over the Ottawa Senators on the strength of their goaltender, Olaf Kolzig.

Kolzig stopped 36 shots Wednesday night for the shutout as Washington played most of the game clinging to the one-goal lead provided by Sergei Gonchar's short-handed first-period score.

The victory gave the Capitals a 3-1 edge in the series. The Senators' attack was relentless, but Kolzig was

spectacular, and Mark Tinordi put the game out of reach, putting the puck into an empty net with five seconds remaining.

"Ten or 11 shots on goal is not going to win you many hockey games, but when your goaltender is perfect

and throws a shutout like that, I guess that's all you need," said Ron Wilson, the Washington coach.

Washington has gone seven consecutive periods without tallying more than seven shots, and it has been outshot 139-69 overall. And while many of the Senators' shots have been low-percentage attempts from the perimeter, the Capitals are troubled by the disparity.

"We have to give Olie a break soon," the Capitals' defenseman Calle Johansson said. "He shouldn't have to stand on his head every game. It is nice when he does, though."

The Capitals came out

with a strong effort in the game's first few minutes, although thoughtless penalties left the Senators to record 11 consecutive shots, mostly on the power play.

Toward the end of the period, with the Capitals' Kelly Miller in the penalty box, Esa Tikkanen was able to get the puck out of the Washington zone and break rookie Chris Phillips' stick at the same time. Phillips went to the bench instead of staying with the play, creating a 3-on-2 situation favoring Washington.

Tikkanen then made a nice move around Wade Redden to get the puck to Gonchar, who skirted around goaltender Damian Rhodes for the short-handed goal at 18 minutes 30 seconds.

The Senators came back in the second period, but Kolzig made several strong saves. Kolzig had to scramble after a shot from Phillips began bouncing between a mass of bodies in front of the net, and the Senators' left wing, Shawn McEachern, got three

whacks at the rolling puck but could not score.

The Senators continued their offensive onslaught in the third period as Washington recorded just two shots, but the one that counted was Tinordi's 90-foot chip from the neutral zone after Rhodes was pulled with about a minute to go.

In Edmonton, The Associated Press reported: Stars 3, Oilers 1 Benoit Hogue scored twice for Dallas, including his second consecutive game-winning goal, at 14:52 of the second period, when he beat Edmonton's goaltender, Curtis Joseph, on a breakaway.

"I just teed it up," said Hogue, who also scored the winner in overtime in Game 3.

Guy Carbonneau scored his first goal of the playoffs for Dallas at 8:46 of the opening period.

Edmonton's Scott Fraser answered 97 seconds later with his first goal of the post-season. Dallas leads the series, 3-1.

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## SPORTS

# Hornets Pay As Jordan Drives Bulls To Victory

**CHICAGO**—It's one of the National Basketball Association's basic, unwritten rules, like rookies carrying veterans' bags. Everyone knows it, and most players are smart enough to accept it.

But the Charlotte Hornets just had to test it. And like anyone else who's tried to break this rule, they have learned

## NBA EAST PLAYOFFS

their lesson: Never, ever make Michael Jordan mad. He'll make you pay.

Jordan scored all 11 of his fourth-quarter points after a dust-up with Glen Rice that earned him a rare technical foul, and the Chicago Bulls moved on to the Eastern Conference final with a 93-84 victory Wednesday over the Hornets.

Chicago plays Indiana, which beat the Knicks, 4 games to 1 in the other conference semifinal. Game 1 of the Eastern final is to be played in Chicago on Sunday. It is Chicago's eighth trip to the conference final in 10 years.

The Hornets played their most physical game and shot better than they had all during the series.

"It was a scrum game that physically had to be won by the players," said Phil Jackson, Chicago's coach.

Jordan certainly did his share with 33 points. He carried Chicago through three quarters, hitting jump shots with Rice and Anthony Mason hanging all over him.

Finally, with 10:09 left and the Bulls holding onto a 76-74 lead, Jordan lost his cool. After he and Rice got tangled up in front of the Bulls' bench for a second time, Jordan had to be restrained by Scottie Pippen. Rice was charged with an offensive foul, and both he and Jordan were hit with technicals.



The Bulls' Scottie Pippen, center, restraining Michael Jordan as he lashes out at the Hornets' Glen Rice. Both Jordan and Rice drew technical fouls.

"We felt he's been setting some illegal screens all series and I made a purpose of trying to get the referees to call it," Jordan said of Rice. "I chose to challenge the screen to see if they were going to call it and I guess he took offense to that."

But Rice said it was Jordan getting the calls from the referees. "It was just a hard play," said Rice who finally broke out of a series-long shooting slump, scoring 30 points on 13-of-21 shooting.

"Michael and I were definitely trying to establish our grounds out there. A couple of times I felt the referee let him get away with some things and I just showed my disappointment."

Jordan scored back-to-back baskets before Mason outmuscled Dennis Rodman for a lay-up that cut Chicago's lead to 80-76. Then it was Rodman and Dell Curry's turn to get into it.

Rodman, who turned 37 Wednesday, was in a frenzy the entire game, snatching rebounds out of Hornets' hands. He finished with 21 rebounds. Rodman wasn't giving on anything, and when Curry went to the floor in a scramble for a loose ball, Rodman went, too. Curry was livid when possession was awarded to the Bulls, and he started screaming at the referees. He was given his second technical — and an automatic ejection — and he left the court cursing, kicking two Bulls warmup suits that were on the floor as he passed Chicago's bench.

"The call was a good call. It was the contact before that that everyone was upset about," said Dave Cowens, Charlotte's coach. "I don't know if that was an impact there. It took one of our shooters away. I didn't have him to go to when I needed points."

And no one else on Charlotte's bench stepped up. The Chicago bench wasn't much better, except for Steve Kerr.

Kerr scored 15 points, including five during a 7-3 Chicago run late in the game that clinched the victory.

Pacers 99, Knicks 88 Mark Jackson had the first triple-double in Pacers' playoff history to lead Indiana over New York in the series-clincher.

Jackson had 22 points, 14 rebounds and 13 assists as the Pacers reached their first conference final since 1995 under the team's rookie coach, Larry Bird.

"We do not get rattled, we make plays and we do not beat ourselves," Jackson said. "That's the way this team was built."

Reggie Miller scored 24 points and Rik Smits added 22 for the Pacers, who held New York without a basket for six minutes in the fourth quarter as they turned a 73-73 tie into an 87-75 lead.

Allan Houston led the Knicks with 33 points. Patrick Ewing was held to 10 points.

"Their whole team outplayed us," Ewing said, "but we still feel they're not a better team than we are."

# Braves Keep Hitting Home Runs

**The Associated Press**  
Mark McGwire drew a crowd for batting practice, but once the game started, the Atlanta Braves showed off their own home run power.

Atlanta set a National League record and tied a major league mark by homering in its 25th straight game as it rolled to a 10-2 victory over the Cardinals in St. Louis.

Ryan Klesko's two-run shot in the sixth inning on Wednesday helped the Braves tie the 1941 New York Yankees and 1994 Detroit Tigers as the only teams to homer in 25 consecutive games.

But Bobby Cox, the Braves' manager, isn't impressed by home runs or history although Atlanta has 45 homers in the streak and leads the majors with 65.

"The wins are the big thing," Cox said. "The home runs, who really cares? But it's good for baseball to have something to talk about. People will drive hundreds of miles to see Mark McGwire take batting practice."

McGwire, who has 14 homers this year, hit two balls off the facade in center field and one into the upper deck during batting practice, but went 1-for-4 with a single and two strikeouts in the game.

Astros 1, Pirates 0 Mike Hampton (6-1) gave up six singles in 8 1/3 innings as the host Astros won their fifth straight.

Hampton struck out five, walked three and came within one out of a

## NL ROUNDOUP

complete game in his second shutout this season. In his last three starts, Hampton has given up just two earned runs in 22 1/3 innings.

Jack Howell, starting in place of the injured first baseman, Jeff Bagwell, singled and then scored the game's only run in the fourth.

Reds 10, Marlins 4 In Cincinnati, Barry Larkin doubled home the go-ahead run in the sixth inning and scored from second on a wild pitch as Cincinnati rallied.

The defending World Series champions lost their third straight and fell 1-4 games under the .500 mark.

Expos 9, Giants 3 Mark Grudzielanek and Chris Widger both homered twice as Montreal won in San Francisco.

Dodgers 9, Phillies 4 In Los Angeles, Raul Mondesi hit two home runs and Todd Zeile added a three-run shot as Los Angeles ended Philadelphia's six-game winning streak.

Mets 4, Padres 3 In San Diego, Carlos Baerga hit his first homer of the season, a three-run shot in the first, as New York won for the fifth time in six games.

Brewers 4, Diamondbacks 3 Jeff Juden (5-1) pitched seven strong innings and Jeff Cirillo hit two run-scoring singles as Milwaukee won in Phoenix.

The high-priced free agent Willie Blair dropped to 0-7 and Arizona lost its eighth straight game. Blair, who signed to an \$11.5 million, three-year contract after going 16-8 last year for Detroit, became the first pitcher in the majors to lose seven games.

# Velarde Returns to Game With 2 Homers

**The Associated Press**  
Randy Velarde, who had not batted in the big leagues since 1996 because of reconstructive surgery on his right elbow, hit a home run in his first at-bat.

Velarde went 2-for-3 and scored three runs Wednesday night as the Anaheim Angels beat the Chicago White Sox, 8-3. He homered over the center-field fence leading off the third inning.

"It was my opening day," Velarde said. "I had that type of anxiety and that type of nervousness."

Velarde last hit in the majors on Sept. 27, 1996. He appeared as a pinch-runner in one game in the majors last year.

The utility player started at second base, where the Angels intend to use him most often. He irritated his arm making a diving play and left after eight innings, but Terry Collins, the manager, said he hoped to start him again Thursday.

Cecil Fielder hit a 475-foot homer, the longest by an opponent in the eight-year

history of the new Comerica Park. Darin Erstad also homered for the Angels.

Albert Belle was ejected for the second time this season. The White Sox star was called out on strikes in the seventh inning

## AL ROUNDOUP

and tossed by the umpire Terry Craft, as the Chicago manager, Jerry Manuel, interceded to keep the two apart.

Yankees 8, Rangers 6 In New York, Bernie Williams hit a grand slam and New York won for the 25th time in 28 games, stopping Texas' winning streak at five.

Derek Jeter hit a three-run homer for the Yankees. Juan Gonzalez and Will Clark had consecutive home runs, and Ivan Rodriguez later homered for the Rangers.

Orioles 6, Indians 1 Slumping Brady Anderson hit two home runs and Baltimore sent visiting Cleveland to its sixth

straight loss. Anderson began the game batting only .074. He was in a 1-for-32 skid before hitting Chad Ogea's first pitch over the right-field scoreboard.

Twins 7, Red Sox 4 In Minneapolis, Todd Walker and Terry Steinbach homered as Minnesota sent Bret Saberhagen to his first loss of the season.

Mo Vaughn hit his 200th career homer, but Boston lost its third straight game.

Royals 4, Devil Rays 0 Pat Rapp pitched a four-hitter and struck out a career-high 10 as Kansas City won in Tampa Bay.

Athletics 4, Blue Jays 2 Jimmy Haynes, the Oakland starter, won for the first time since April 4, outpitching Roger Clemens at Toronto.

Tigers 8, Mariners 5 In Detroit, Tony Clark homered and drove in four runs at Tiger Stadium. The triumph enabled Detroit to avoid matching the poorest 34-game start in team history — 10-24 in 1953 and 1996.

## SCOREBOARD

### BASEBALL

#### MAJOR LEAGUE STANDINGS

##### AMERICAN LEAGUE

###### EAST DIVISION

	W	L	Pct.	GB
New York	26	17	.606	—
Boston	24	14	.632	4 1/2
Baltimore	20	18	.526	8 1/2
Tampa Bay	17	21	.447	11 1/2
Tampa Bay	16	21	.432	12

###### CENTRAL DIVISION

	W	L	Pct.	GB
Cleveland	20	18	.526	—
Minnesota	16	22	.421	4
Chicago	15	21	.417	4 1/2
Kansas City	15	23	.395	5
Detroit	13	23	.362	7

###### WEST DIVISION

	W	L	Pct.	GB
Texas	24	14	.632	—
Anaheim	20	17	.541	3 1/2
Seattle	19	19	.500	5
Oakland	16	21	.432	7 1/2

##### NATIONAL LEAGUE

###### EAST DIVISION

	W	L	Pct.	GB
Atlanta	29	11	.725	—
New York	19	15	.559	7
Philadelphia	19	18	.514	8 1/2
Montreal	17	23	.378	13 1/2
Florida	13	27	.323	16

###### CENTRAL DIVISION

	W	L	Pct.	GB
Houston	22	17	.564	3 1/2
Chicago	20	17	.541	4 1/2
St. Louis	19	20	.488	6 1/2
Cincinnati	18	21	.462	7 1/2
Pittsburgh	18	21	.462	7 1/2

###### WEST DIVISION

	W	L	Pct.	GB
San Diego	24	12	.667	—
San Francisco	21	18	.538	3 1/2
Los Angeles	19	20	.488	5 1/2
Colorado	17	23	.425	8
Arizona	8	31	.205	16 1/2

##### WEEKEND LINE SCORES

#### AMERICAN LEAGUE

623	200	623-8	18	1	Neville Sibbald, Baldwin (4), F
eric (3), Slocumb (4), Fosses					Castillo (8), Casian (9)
					McIntosh (2), ...



## POSTCARD

## Going With the Flow

By N.R. Kleinfeld  
New York Times Service

NEW YORK — Yes, those were in fact the streets of New York. They were not Alma, Michigan.

In an inconspicuously yellowish city, traffic moved with an unfamiliar fluidity on Wednesday during the taxi strike. People who normally traveled at \$2 initial charge and 30 cents per 1/5 mile walked, and not necessarily wearing smiles. They rode buses. They discovered an underground system known as the subway.

Whether they liked it or not, they had to. It was the city without cabs, and, boy, was it different.

It was a day when the near-absence of taxis left traffic so thinned that pedestrians could cross the street at 48th Street and Avenue of the Americas and see one car waiting at the light. One.

On its own — naturally — traffic flowed.

But it was also a day when many habitual taxi riders, especially those debarking at the airports, found the city unrecognizable and when the Guide-A-Ride schedules affixed to bus stop poles were read with fresh and often bewildered vigor.

Juan Matos, at least, could take it easy. As the morning taxi dispatcher outside the Port Authority Bus Terminal, he was used to confronting a packed line of commuters that snaked down Eighth Avenue from 42d Street to 41st. He was used to a constantly replenished double line of cabs.

But all morning Wednesday, he had seen three cabs. By 10:30, he sat in his Plexiglas booth surrounded by nothing. No people. No cabs. He was listening to his clock radio.

After a futile 15-minute wait to find a cab to take him to his office on Broadway and 20th Street, Andre Marcell surrendered and did the unimaginable. He walked.

Robert Krauss, a vice president at MFP Technology Services, a computer leasing company in Manhattan, was furious. He was holding a sales meeting at 1 P.M. Wednesday, and fellow workers were arriving at LaGuardia Airport from throughout the country and Canada. The chief executive himself was coming from Toronto.

At 11 A.M., a harried Krauss was madly scampering between the terminals, scooping up his guests. Four could cram into his Lexus. "I'm trying to arrange for limos to pick them up," he said of the others. "My wife wouldn't give me the van."

People driving in the city, however, found it a genuine delight. Though there were congested patches here and there, many major arteries were free of gridlock and New York vitriol. The streets were hardly empty, but, by New York standards, traffic moved briskly.

Charles Agosto, a police traffic agent stationed at the perpetually congested corner of 43d Street and Seventh Avenue, said: "I'd say traffic is about 75 percent less today. The motorists are in a better mood. Even the messenger boys on bicycles, they're happy. They usually have to veer around cabs and the cabs give them a hard time. It's this ongoing battle. Today, they've got smiles on their faces."

Charles Agosto, a police traffic agent stationed at the perpetually congested corner of 43d Street and Seventh Avenue, said: "I'd say traffic is about 75 percent less today. The motorists are in a better mood. Even the messenger boys on bicycles, they're happy. They usually have to veer around cabs and the cabs give them a hard time. It's this ongoing battle. Today, they've got smiles on their faces."

By Florence Fabricant  
New York Times Service

LONDON — Visitors to London, out for some of its newly acclaimed gastronomic dazzle, are likely to wind up in one of Marco Pierre White's restaurants. It's getting easier by the week.

Mirabelle is his latest conquest. "My little love affair" is what White calls the restaurant, the sixth he has opened in two years. Once a favorite of Princess Margaret and Aristotle Onassis, Mirabelle had become a tired vestige of the 1970s social and political scene.

White reopened the restaurant early this month with a restored Art Deco shimmer, a sexy red leather floor, an inviting garden and some early accolades from the critics.

Not that White needs to keep opening restaurants to attract attention. He's a prodigious talent who, in 1995, when he was 33, was anointed with three Michelin stars. Quite an achievement for a boy born and raised in working-class Leeds, a high-school dropout who never even cooked in France.

But White has managed to saddle himself with notoriety that has more to do with his short fuse than with splendid food in swank dining rooms. It's hard to live down a reputation for throwing people out of restaurants, especially three-star restaurants.

"I'd rather be arrogant than insecure," he said. But in his defense, he later said, "I've never treated anyone as badly as a kid named Marco Pierre was treated in Leeds."

On May 1, The Times described White's dismissal of a landscape gardener who was working on Mirabelle as giving the man "the Marco Pierre White treatment."

"Marco lives up to his billing," said Drew Nieporent, the restaurateur, whose company runs Nobu in New York and in London. "He's completely uncensored, but he keeps things interesting. There is no one like him."

Beneath White's rock-star veneer — including a well-publicized bout with drugs and alcohol — lies a very savvy and rich businessman. His restaurant empire, in partnership with Granada, the British hotel and entertainment conglomerate, is reported to be worth \$200 million.

This backing has allowed him to collect some of London's most beautiful, historic restaurants, and to waste no time reopening them.

If the Russian Tea Room in New York were his, you can be sure it would be serving dinner by now. No other Michelin three-star chef owns as many places as White: six open and two in the pipeline.

The flagship of White's growing empire is his three-star restaurant, the Oak Room, a palatial Edwardian expanse in the Meridien hotel, all carved, gilded and hung with Venetian chandeliers. (He was originally awarded three stars for Marco Pierre White at the Hyde Park Hotel, but after a change in management he left and opened the Oak Room. Michelin let him take his stars along.)

He is serious enough about the Oak Room to be there for most of the dinner service before dashing out to check on his other places.

His portfolio includes Quo Vadis, an old-time trattoria in Soho, and Cafe Royal, an opulent, mirrored excess dating from 1865, which White rescued from the ignominy of serving slabs of roasted meat to tourists. Those restaurants have one Michelin star each. He also owns the popular Criterion Brasserie in an exotic Moorish setting.

He has acquired the main dining room of the Regent Palace, which is to be called the Titanic and is due to open in July with 400 seats, and the airy Palm Court in the Waldorf Hotel in the West End, which he hopes to reopen in October.

"I want all the great dining rooms of London," he said. He even has his eye on the Ritz hotel in Piccadilly. "I don't expect to get that one," he added.

All his restaurants are concentrated in central London. The exception is MPW, on the city's east-



Jonathan Player/The New York Times

"I'd rather be arrogant than insecure," White says.

ern edge, a casual spot that may be cloned. "I don't know how you can control a far-flung empire," White said. "I've been invited to come to New York, to the Far East, but I won't do it."

The subtext is that he doesn't like to fly. "I don't want to travel," he said. "I hate getting on planes. I'm scared of flying." He does not even drive his own car.

As a teenager, White used his combination of gall and raw talent to land a kitchen job at the Box Tree in Ilkley and then at Le Gavroche in London.

He went on to work for the best names in French cooking in England, including Raymond Blanc, Pierre Koffmann and Nico Ladénis. By 1987, White had his own restaurant, Harvey's, which was awarded two Michelin stars in

classic sauce thickened with the bird's blood, a little caramel custard scattered with rum-soaked raisins (his signature pre-dessert dessert), and prune and Armagnac soufflé.

It's odd that he's turned his back on English food at a time when the English are opening up and reinventing their cuisine, said Raymond Blanc, chef and owner of Le Manoir aux Quat' Saisons near Oxford, where White worked for a couple of years. "He's doing French classics just when the English and even the French are trying to get away from them."

White's culinary range is limited, even repetitive. He's like Giorgio Armani, who offers a definable style at various price points, from the black label designer line down to A/X.

Dinner at the Oak Room is a fixé, at about \$125 a person. Yes, the menu at Criterion Brasserie also offers the Oak Room's caramelized wing of skate with winkles, capers and parsley, but for about \$22, and the pear tart for two, but at \$10 a person.

These dishes are on the menu at Quo Vadis, too, and some are on the menu at Mirabelle, which also includes the spectacular caramelized pineapple served at the Oak Room.

"You're not going to have any of this food at home, and I just make it more affordable at some places than at others," White said. In all of his restaurants, the chef de cuisine is a young Englishman, often from a working-class background like White's. Having so many restaurants permits him to give opportunities to the people he trains. "Otherwise, they would be my competition," he said, adding his particular verbal tic: "Does that make sense to you?"

As pragmatic as he may be, he still insists on an element of fantasy. That's where the lavish, historic settings come in.

"I always wanted a different world," he said. "I always wanted something more satisfying so I could deny my childhood."

## PEOPLE

MUSICIANS, poets and activists who worked with Allen Ginsberg or were influenced by him are to take part in a three-hour celebration Friday night at the Cathedral of St. John the Divine in New York. Organized by the Committee on Poetry and the Allen Ginsberg Trust to honor the poet, who died in April 1997 at 70, the event, "Planet News: A Tribute to Allen Ginsberg," is to include some of his poems and songs and previously unpublished work, as well as materials by the participants, including Amiri Baraka, Patti Smith, the Fugs, Philip Glass and Natalie Merchant.

Prince Philip presented the \$1.2 million Templeton Prize for Progress in Religion to Sir Sigmund Sternberg, who helped mediate a dispute over a Roman Catholic convent at the Auschwitz concentration. The Templeton Prize is the world's richest award for achievement in any field.

Mariah Carey demonstrated less than royal behavior toward Prince Albert of Monaco at the recent World Music Awards in Monte Carlo, the New York Post reported. Carey delayed taping of the show by more than an hour, then kept the

prince waiting at a gala dinner, the newspaper quoted unidentified sources as saying. The singer and her entourage also kept the seamstresses at the Hotel de Paris so busy they were unavailable to other guests, the sources said. Carey denied all the accusations and said, "Oh, please. I am not a diva! It wasn't like I rolled into Monaco, flung out my arms and said, 'Bring me all the seamstresses in the land.'"

The art dealer Alec Wildenstein said he could not afford to pay his wife \$140,000 a month. So he had a suggestion for the New York judge handling their divorce case: Make her sell half of her \$10 million in jewelry, give him the money and let him pay the temporary alimony with it. But the judge ruled that Jocelyne Wildenstein can keep the jewelry because a prenuptial contract the Wildensteins signed in Switzerland gives her all of it. Wildenstein's lawyer, Raoul Felder, said his client earned only \$175,000 a year and could not comply with the court's order.

Passengers will please refrain from climbing the ship's bow railing — even if Leonardo DiCaprio did. That's the warning being circulated by the

Passenger Vessel Association after several people on U.S. commercial vessels tried to mimic the scene from "Titanic." One cruise operator plying Lake Michigan and the Chicago River has warned its crews to watch out for copycat heroes.

A British man living in Florida has dropped his offer to trade one of his kidneys for a boat after learning it would be illegal. John Curtis had placed a classified ad in the St. Petersburg Times that read: "British-made kidney-shaped item: Will swap for 45-foot motor/sail boat." The ad ran for three days before the newspaper canceled it after learning that the kidney-shaped item was actually a kidney. It is illegal under Florida law to sell or trade human organs and illegal under federal law to sell them.

Garth Brooks and other country music singers came together in Los Angeles to record "One Heart at a Time" to raise money for the Cystic Fibrosis Foundation. The song was written by Brooks's songwriter friend, Victoria Shaw. Bryan White, Faith Hill, Neal McCoy, Billy Dean, Olivia Newton-John and Michael McDonald recorded the song, which will go on sale Tuesday.



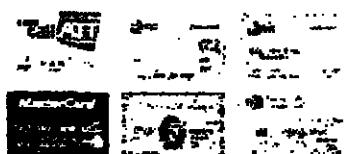
ROLL 'EM — Some of the judges for the 1998 Cannes film festival joined Martin Scorsese, president of the jury, outside the Palais des Festivals. From left: Lena Olin, Winona Ryder, Chiara Mastroianni, Sigourney Weaver and Zoe Valdes.



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